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# THE TRADE-MARK REPORTER

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# The Trade-Mark Reporter

## The Current Law of Trade-Marks and Unfair Competition in the United States

This publication, issued monthly, contains all current decisions of the law of trade-marks, trade-names and unfair competition in the courts of the United States, and of the several States and in the United States Patent Office. The text of opinions, other than Patent Office decisions, is given in full so far as they relate to trade-marks, or allied subjects, with references to the official or other reports, if any, in which the cases are to be found, and with annotations and cross references, designed to illustrate the development and assist in the study of this branch of the law.

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## LEWIS V. VENDOME BAGS, INC.
[108 F. (2d) 16]

*United States Circuit Court of Appeals, Second Circuit*

*December 11, 1939*

UNFAIR COMPETITION—SUITS—PLEADING AND PRACTICE.

While usually a variance between pleading and proof may be corrected by an amendment to conform the bill to the proof, this is not permissible where the effect of the amendment is to allege a cause of action beyond the jurisdiction of the court.

UNFAIR COMPETITION—COPYING UNPROTECTED ARTICLE.

Merely copying an article unprotected by patent, copyright or trademark does not establish unfair competition unless the article or its design has acquired a secondary meaning.

UNFAIR COMPETITION—IMITATING APPEARANCE OF UNPATENTED ARTICLE.

Where it appeared defendant copied the design of plaintiff's commercial bag, which was unprotected by patent, but did not pass off its bags as those of plaintiff's, defendant *held* not to have been guilty of unfair competition, and the decree of the lower court was reversed.

In equity. Appeal from the United States District Court, Southern District of New York. Action for alleged patent infringement and unfair competition. From a decision holding unfair competition and ordering an accounting of profits, defendant appeals. Reversed, and complaint dismissed.

*H. L. Burkitt,* of New York City, for appellant.

*Walter A. Darby,* of New York City (*J. Howard Carter,* of New York City, of counsel), for appellee.

Before SWAN, CHASE, and CLARK, Circuit Judges.

SWAN, C. J.: This appeal involves the doctrine of *Hurn* v. *Oursler,* 289 U. S. 238, 53 S. Ct. 586, 77 L. Ed. 1148 [23 T.-M. Rep. 267], and its application to the facts at bar. Both plaintiff and defendant were citizens of the same state; federal jurisdiction rests on the ground that the charge of patent infringement raised a federal question. The bill of complaint charged infringement of the plaintiff's design patent Nos. 101, 880 and also unfair competition with the plaintiff's business of manufacturing and selling handbags alleged to be of the patented design. The district judge

made findings of fact and law to the effect that the defendant's bag did not infringe the patent in suit, but was a copy of the plaintiff's commercial bag, Exhibit 3, which also differed from the patented design to such an extent as not to be protected by the patent; that in copying Exhibit 3 the defendant had unfairly competed with the plaintiff, and as the final conclusion of law, that

> The unfair competition arises from the same facts before the court on the infringement of the patent claim and the court has jurisdiction over the unfair competition claim, though infringement has not been proved.

The decree permanently enjoined the defendant from manufacturing or selling bags embodying the design employed by the plaintiff in Exhibit 3, and ordered an accounting of the profits received by the defendant by reason of its acts of unfair competition.

*Hurn* v. *Oursler, supra,* as a majority of the court understands the decision, requires a reversal of the decree on appeal. In that case the amended bill of complaint charged the defendant with three wrongs: (1) Infringement of a copyrighted play of the plaintiff; (2) unfair competition with the copyrighted play; and (3) unfair competition with an uncopyrighted revision of the plaintiff's play. The district court dismissed the bill on the merits in so far as grounded on copyright infringement, and for want of jurisdiction in so far as grounded on unfair competition. This court affirmed the decree in 2 Cir., 61 F. (2d) 1031. The Supreme Court modified it. It held that the federal question raised by the charge of copyright infringement gave the district court jurisdiction of the case; that rejection of the federal claim on the merits did not deprive the court of jurisdiction to decide the claim of unfair competition in respect to the copyrighted play, and that this claim should also have been dismissed on the merits; it affirmed the decree in so far as it dismissed for want of jurisdiction the claim of unfair competition in respect to the uncopyrighted revision of the plaintiff's play, since this was a separate and distinct non-federal cause of action. In the case at bar the allegations of the bill definitely limit the bags of the plaintiff's manufacture in respect to which unfair competition is charged, to bags embodying the patented design. Hence, the court

had jurisdiction of the case, because the allegation of patent infringement raised a federal question and the charge of unfair competition in respect to bags of the patented design was, so far as appears, made in good faith. But the latter charge was not proved. What was proved was unfair competition with bags not embodying the patented design—at least, so we must assume, for the proof has not been incorporated in the record, only the findings. Consequently, the findings of fact and the decree are not supported by the allegations of the complaint regarding unfair competition; and the complaint should have been dismissed for failure to prove the unfair competition alleged. It is like the failure of proof in *Hurn* v. *Oursler,* 289 U. S. 238, at page 247, 53 S. Ct. 586, at page 590, 77 L. Ed. 1148, where Mr. Justice Sutherland said:

> It is entirely plain that the holding of the trial court disposing of the claim of infringement on the merits also disposed of the claim of unfair competition in respect of the copyrighted play, since both depended upon the same allegations of wrongful appropriation of certain parts of, and conceptions embodied in, petitioners' play. The finding of the court is comprehensive—"That no version of the defendants' play 'The Spider' infringed in any way, either with respect to plot, material, arrangement or sequence of events, or incidents, or otherwise, the plaintiffs' copyrighted play." This finding—not challenged here—contains every essential element necessary to justify the conclusion that there was likewise no unfair competition in respect of the copyrighted play, since it negatives the allegations of the bill made for the purpose of establishing by the same facts an infringement of the copyrighted play and unfair competition in relation thereto.

While usually a variance between pleading and proof may be corrected by an amendment to conform the bill to the proof, this, we think, is not permissible where the effect of the amendment is to allege a cause of action beyond the jurisdiction of the court. Had the plaintiff pleaded the facts developed upon the trial, the bill would have charged (1) infringement of the patent and (2) unfair competition in respect to bags of an unpatented design. The latter charge sets up a separate, distinct and non-federal cause of action, as did the claim of unfair competition in respect to the uncopyrighted revision of the plaintiff's play in *Hurn* v. *Oursler, supra,* 289 U. S. page 248, 53 S. Ct. 586, 77 L. Ed. 1148. In *Atkins* v. *Gordon,* 7 Cir., 86 F. (2d) 595, 597 the court refused to discuss the charge of unfair trade methods on the ground that, since the parties

were residents of the same state, "the Federal court's jurisdiction is dependent upon the appellee's sustaining the patent infringement charge of the complaint." See also *In re Amtorg Trading Corp.*, Cust. & Pat. App., 75 F. (2d) 826, 834; *Foster D. Snell, Inc.* v. *Potters*, 2 Cir., 88 F. (2d) 611; *Davies* v. *Columbia Pictures Corp.*, D. C. S. D. N. Y., 20 F. Supp. 809. *Cf. Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 324, 59 S. Ct. 191, 83 L. Ed. 195 [29 T.-M. Rep. 3], 4 Univ. Chi. L. Rev. 679, criticizing the Atkins decision.

But even if it be assumed that the court had jurisdiction to decide that the defendant competed unfairly with bags of the plaintiff which did not embody the patented design, the findings of fact are insufficient to sustain the decree. The plaintiff's name was stamped upon the lining of its bags; the defendant's bags bore no name. There are no findings, and no indication that there was any evidence, to the effect that the defendant palmed off its bags as the plaintiff's product, or that the design of Exhibit 3 had become so associated with the plaintiff in the mind of the public as to acquire a secondary meaning and cause any bag of the same appearance to be ascribed to the plaintiff as the source of production. The essence of the wrong of unfair competition is selling the goods of one manufacturer or vendor as those of another, and, unless the defendant passes off its goods as those of the plaintiff, the action fails. *Goodyear's Rubber Co.* v. *Goodyear Rubber Co.*, 128 U. S. 598, 604, 9 S. Ct. 166, 32 L. Ed. 535; *Howe Scale Co.* v. *Wyckoff, Seamans & Benedict*, 198 U. S. 118, 140, 25 S. Ct. 609, 49 L. Ed. 972. Merely copying an article unprotected by patent, copyright or trade-mark does not establish unfair competition, unless the article or its design has acquired a secondary meaning. *Crescent Tool Co.* v. *Kilborn & Bishop Co.*, 2 Cir., 247 Fed. 299, 300 [8 T.-M. Rep. 177]; *Cheney Bros.* v. *Doris Silk Corporation*, 2 Cir., 35 F. (2d) 279 [19 T.-M. Rep. 491]; *Krem-Ko* v. *R. G. Miller & Sons, Inc.*, 2 Cir., 68 F. (2d) 872 [24 T.-M. Rep. 135]; *Sinko* v. *Snow-Craggs Corp.*, 7 Cir., 105 F. (2d) 450, 452. Nor does the fact that bags of the appearance of Exhibit 3 have become popular as a result of the plaintiff's adver-

tising make the defendant's duplication of them a tort. *Kellogg Co.* v. *Nat. Biscuit Co.*, 305 U. S. 111, 122, 59 S. Ct. 109, 83 L. Ed. 73 [28 T.-M. Rep. 569]. Since the evidence is not before us and the findings of fact do not establish any passing off of the defendant's bags as those of the plaintiff's manufacture, we are of opinion that the decree should be reversed and the complaint dismissed. It is so ordered.

CLARK, C. J. (dissenting): The premise upon which the opinion herein rests for its denial of federal jurisdiction is the District Court's conclusion that plaintiff's bag "is not protected" by her patent. I suppose all will agree that a claim based upon a patent will not support federal jurisdiction over a claim based upon unfair competition with respect to an article entirely foreign to the patent. But I think that under the circumstances here disclosed, this holding of the court below may not be pressed that far. It is true that the findings upon which jurisdiction depends are rather meagre and the parties have not brought the testimony before us. Therefore I do not object to a return of the case to the District Court for more adequate findings on this point, as well as on the matter of unfair competition. A dismissal of the action, however, seems to me quite unjustified.

For the facts we do have before us show that the bag called for by the plaintiff's design patent and the bag actually manufactured by her are too nearly alike to make the plaintiff's claim of their interrelation either unfair or unjustified. Without the evidence one should not venture too far, but on the court's own findings it would seem fully as reasonable to conclude that the bag in question was produced under the patent and the patent was of doubtful validity as to decide that the bag did not embody the patent design. The patent is not defined in the application therefor other than as "the ornamental design for a handbag, as shown," and hence the real claims for it only appear from the two figures shown in the application, one that of the bag in an open position and the other that of the bag in a closed position. The finding below points out the differences between the bag shown in those figures and the bag, Exhibit 3,

which was in suit. The former has a covering of grained leather, a handle connected to the frame by movable links, and a triangular lock; the latter, a covering of ungrained leather, stationary handle posts, and a rectangular lock. Except for one detail, the interiors are the same with mirror and pockets for cigarettes, matches, compact, lipstick, and comb, together with one large utility pocket. In Exhibit 3 there is a purse affixed to the outside of the utility pocket; this is the sole difference inside the bags. As I read the cases, these are too slight differences to show invention justifying a design patent which must disclose originality and invention similar to that of a utility patent. *Nat Lewis Purses, Inc.* v. *Carole Bags, Inc.*, 2 Cir., 83 F. (2d) 475 (ladies' purse); *Steffens* v. *Steiner*, 2 Cir., 232 Fed. 862 (cigar bands); *Knapp* v. *Will & Baumer Co.*, 2 Cir., 273 Fed. 380 (square candle); *A. C. Gilbert Co.* v. *Shemitz*, 2 Cir., 45 F. (2d) 98 (fruit juice extractor); 35 U. S. C. A. § 73. And if the differences are not enough for a separate design patent, I should think the bag properly came under the patent, whatever may be its validity.

I refer to these cases not as supporting any final adjudication on those points, but only to indicate how close the issues appear to me to be and how therefore they support the court's conclusion that "the unfair competition arises from the same facts before the Court on the infringement of the patent claim." And as the court concluded, that gives jurisdiction over the unfair competition claim, though infringement has not been proved. And since the questions are so closely interrelated I believe jurisdiction should be found whether we assign the bag, Exhibit 3, to the patent or not.

The opinion discusses the complaint and concludes that there was a variance between pleading and proof. That, I take it, is but another way of stating the conclusion that jurisdiction did not and could not exist because the bag was not covered by the patent. If it is more than this, if the problem is made one of pleading, it surely must be erroneous under modern conceptions of pleadings. For no longer are they required to state and hold to a particular theory; they need only set forth the operative facts, while it is for the courts

to determine and apply the law. Consider the situation which faced the plaintiff when she found that defendant was copying her bags. When she sued, she naturally wished to preserve all her rights and make all her claims, that is, she wished to rely on her patent, but still seek recovery if her patent should not protect her. So she stated all her case in her complaint, which seems to me well designed to present the issues as they appeared to her. She was entitled to plead alternatively or hypothetically, in one count or in separate counts. Federal Rule 8 (e) (2), 28 U. S. C. A. following section 723c. Actually, she has set forth her various claims in one count just as one assigns several acts of negligence in suing for damages for personal injuries. And she makes it clear not only that she is relying on a claim for infringement of this design patent, No. 101,880, but also that she is claiming unfair competition as to this particular bag, Exhibit 3. And, pursuant to order, she filed a bill of particulars asserting that the bag which is Exhibit 3 is the handbag, embodying the design which has become known to the general buying public as her product and manufacture. She has therefore made her case and her claims quite clear and this is all that can properly be expected of a pleading. The question of jurisdiction herein is too important to turn upon niceties of expression in pleading once the basic facts appear.[1]

The answer to that question under *Hurn* v. *Oursler, supra,* must turn upon the meaning we ascribe to "cause of action." "In terms of the Hurn case, however, claims may be joined when they are but different phases of a single cause of action and not otherwise." Shulman and Jaegerman, Some Jurisdictional Limitations on Federal Procedure, 45 Yale L. J. 393, 408. And it is clear, too, that the test of a single cause of action indicated by that case is a practical one based on the extent of identity of the operative facts.[2] This

[1] In some decisions, apparently some weight is placed upon the fact that the claims are stated in either one or two counts, as the case may be. See 47 Yale L.J. 1287, 1290, n. 17. *Sed quære.*

[2] Compare United States v. Memphis Cotton Oil Co., 288 U. S. 62, 53 S. Ct. 278, 77 L. Ed. 619; Collins v. Metro-Goldwyn Pictures Corp., 2 Cir., 106 F. [2d] 83 [29 T.-M. Rep. 126]; Elliott v. Mosgrove, Or., 93 P. 2d 1070.

is shown by the court's emphasis upon the substantial identity of the facts upon which the two claims held within the federal jurisdiction were based. See page 246 of 289 U. S., page 589 of 53 S. Ct.., 77 L. Ed. 1148, and compare 1 Moore's Federal Practice 155-160; *Southern Pac. Co.* v. *Van Hoosear,* 9 Cir., 72 F. (2d) 903, 911, 912. And it explains the disallowance of the claim for the later uncopyrighted play; a boundary must be set somewhere, and it is practical to set it when a new and later matter requiring other and different witnesses and evidence will be presented.

Such, too, has been the holding of later cases. In *Armstrong Co.* v. *Nu-Enamel Corp.,* 305 U. S. 315, 324, 59 S. Ct. 191, 196, 83 L. Ed. 195 [29 T.-M. Rep. 3], dealing with trade-marks, it was held, construing the Hurn case, that "once properly obtained, jurisdiction of the one cause of action the alleged infringement of the trade-mark, persists to deal with all grounds supporting it, including unfair competition with the marked article," and hence that the trial court was in error in concluding that the invalidity of the trade-mark divested it of jurisdiction over unfair competition. A like result with respect to patents was reached in the well reasoned case of *E. Edelmann & Co.* v. *Triple-A Specialty Co.,* 7 Cir., 88 F. (2d) 852, *certiorari* denied 300 U. S. 680, 57 S. Ct. 673, 81 L. Ed. 884, which seems to me directly in point. See also *Illinois Watch Case Co.* v. *Hingeco Mfg. Co.,* 1 Cir., 81 F. (2d) 41; *Sinko et al.* v. *Snow-Craggs Corp.,* 7 Cir., 105 F. (2d) 450; *Mitchell & Weber* v. *Williamsbridge Mills,* D. C. S. D. N. Y., 14 F. Supp. 954, Patterson, J., noted in 45 Yale L. J. 1287; 3 Moore's Federal Practice 3213. I know of no appellate decision to the contrary except *Atkins* v. *Gordon,* 7 Cir., 86 F. (2d) 595, which failed to note the Hurn case and with which the later cases here cited from that circuit seem out of line. The criticism of this case in 4 U. of Chi. L. Rev. 679 (quoted with approval in 1 Moore's Federal Practice 157) properly points out that the holding defeats the purpose of the rule by requiring the dismissal, for trial elsewhere, of a case where the facts have already been brought out in the federal hearing. This pragmatic test, designed to avoid duplication of litigation, really goes

back to the original decision of Chief Justice Marshall in *Osborn* v. *Bank of United States,* 9 Wheat. 738, 22 U. S. 738, 823, 6 L. Ed. 204, holding that

> when a question to which the judicial power of the Union is extended by the constitution, forms an ingredient of the original cause, it is in the power of congress to give the circuit courts jurisdiction of that cause, although other questions of fact or of law may be involved in it.

We may concede that problems of allotment of jurisdiction between state and national courts are fundamentally problems of government, calling for wise and shrewd statesmanship by any arbiter of the relations of states to nations in a federal system. Frankfurter, Distribution of Judicial Power Between United States and State Courts, 13 Corn. L. Q. 499, 530; *Shulman and Jaegerman, supra,* at page 408 of 45 Yale L. J.; *Mutual Life Ins. Co.* v. *Johnson,* 293 U. S. 335, 339, 55 S. Ct. 154, 79 L. Ed. 398. Even so there will be no loss to statecraft if in the daily activities of courts the needs of practical judicial administration may have some sway to persuade against compelling two lawsuits where one will more completely serve the interests of the litigants.

Applying such a practical test, it seems apparent, as the trial court concluded, that here there is that substantial overlapping of the operative facts which satisfies a reasonable test of identity of the cause. Necessarily to be tried, to reach a conclusion on the case the plaintiff has chosen to present, are the existence and extent of the patent, and the making of the two bags and their similarity; if an accounting is ordered that will be in substance the same. There will be some matters, not completely identical perhaps, bearing on the validity of the patent on the one hand and the passing off of the competing article on the other. But in terms of the witnesses to be produced and the testimony to be offered, those are not likely to be greatly distinct from the main identical issues; and as pointed out in the Edelmann case, *supra,* such an additional fact where the other facts are the same does not prevent the rule from applying. And, it should be noted, this overlapping of the testimony is just as close in actual fact whether the bag, Exhibit 3, is covered by a

patent which is invalid or is not covered by the patent reasonably claimed in good faith to do so. In the former case my brothers concede jurisdiction—as I believe they must unless they are prepared to repudiate any application of the Hurn case to the patent situation. If we go so far, I see no justifiable ground for stopping with the latter case. Indeed I believe the persuasive decisions do go to that extent. In the Edelmann, Illinois Watch, and Sinko cases, cited above, the patent was held valid and not infringed, and yet the claim of unfair competition was decided on the merits. The Edelmann case goes farther, even, for there the court considered "the additional fact that appellant has wrongfully circulated, among the trade, false charges of infringement. The relief sought upon the second branch is upon a footing entirely apart from that prayed on the first." 88 F. (2d) 854. And yet the court held both branches within its jurisdiction under *Hurn* v. *Oursler, supra.*

And so I believe the cause of action is single here under the Hurn case, since the overlapping of testimony to support the two claims is so obviously substantial and extensive. But in any event we are put on notice of their close connection and should at most only seek further light from the court below, rather than reject the whole case summarily.

I am troubled, too, by the decision on the merits made herein as an alternative to the denial of jurisdiction. True, the unfair competition involved is a passing off of defendant's goods as those of the plaintiff; that fact must be established. Here, again, the facts found are scanty. The court did state its conclusion, however, that the defendant made a duplicate of plaintiff's article, "deriving benefit from the advertising and prestige of the plaintiff and her product with confusion to the public and resulting injury to the plaintiff." It further found that one Immerman had formerly owned or partially controlled the concern which made the plaintiff's bags, and upon withdrawal therefrom purchased a one-third interest in the defendant company, after which the manufacture of the competing bags commenced. Moreover, defendant's bag was so arranged that purchasers could and did buy plaintiff's products, such as compacts and

lipsticks, distinguished by her trade-name, "Elizabeth Arden," so to complete a bag "identical with plaintiff's fitted bag except for the pack of matches and the trade-name on the lining." When defendant's bag is so fitted out, it appears to be, as the court stated, "a Chinese copy" of the plaintiff's product. It is not very clear whether the consumer or the retailer did this; it is obvious that the retailer could do it. We may say that there are not enough facts to show the required "passing off," but surely there are enough here to call for further findings, rather than final dismissal. Further, it is not clear what may be the effect of a dismissal for lack of jurisdiction when there is also an apparent adjudication on the merits. Under Federal Rule 41 (b), the former is normally without, the latter is with, prejudice. The decree now to be rendered will be, I fear, confusing and contradictory. I do not see how it can fail to be inherently inconsistent.

I think the action should be returned to the District Court for a more complete finding of facts along the lines here indicated.

---

GENERAL SHOE CORPORATION v. ROSEN, trading as THE FRIENDLY MEN'S SHOP

*United States Circuit Court of Appeals, Fourth Circuit*

*April 10, 1940*

TRADE-MARKS—"FRIENDLY" ON SHOES—VALIDITY—DUALITY OF MARKS.

The word "Friendly," used as a trade-mark on shoes, *held* valid, and not invalidated by the use in connection therewith of the word "Jarman," as more than one trade-mark may be used by an owner without invalidating either.

TRADE-MARKS—WHEN VALID—"FRIENDLY"—WORDS—NEITHER ARBITRARY NOR PRIMARILY DESCRIPTIVE.

While a descriptive term may not be appropriated exclusively as a trade-mark, as may purely artibrary and fanciful terms, the words lying between these extremes may, if taken in a suggestive or figurative sense, be classed as valid trade-marks. The word "Friendly" belongs to this class.

UNFAIR COMPETITION—"FRIENDLY" ON SHOES AND IN THE NAME, "THE FRIENDLY MEN'S SHOP."

Appellant, engaged since the year 1925 in the manufacture of shoes, on which it used the word "Friendly" as a trade-mark *held* entitled to an injunction against appellee, which operated in Charleston, W. Va.,

a retail men's furnishing store, at first under the name "Men's Shop," which in 1935 he changed to "Friendly Men's Shop," and later established other stores under the same name, inasmuch as the purchasing public had come to identify the word "Friendly" with appellant's shoes. Appellee, furthermore, used the same word on his shoes. Appellee, however, was not required to eliminate the word "Friendly" from his trade-name.

In equity. Action for alleged trade-mark infringement and unfair competition. From a decision of the United States District Court, Southern District of West Virginia, in defendant's favor, plaintiff appeals. Reversed. For decision below, see 29 T.-M. Rep. 593.

*Ernest P. Rogers,* of Atlanta, Ga., and *Herman Bennett,* of Charleston, W. Va. (*Hirsch, Smith & Kilpatrick,* all of Atlanta, Ga., on the brief), for appellant.

*R. K. Talbott* (*B. J. Pettigrew* on the brief), both of Charleston, W. Va., for appellee.

SOPER, C. J.: The General Shoe Corporation, plaintiff in the District Court, brought this suit against Isadore Rosen to protect its trade-marks, "Friendly" and "The Friendly Five," as applied to shoes. The plaintiff is a Tennessee corporation which in 1925 took over the business of the Jarman Shoe Company, a copartnership engaged in the manufacture of shoes, under whose name the marketing of the product has since been continued. The defendant is a resident of Charleston, W. Va., where he owns and operates three retail men's furnishing stores on the same street. He began business in 1929 with one store under the name of the "Men's Shop." In 1935 he changed the name to the "Friendly Men's Shop" and within two years established the other stores under the same name. In general, the charge is that the defendant has so used the word "Friendly" in and about his shops in connection with the display and sale of shoes as to be guilty of infringement of the trade-marks and also of unfair competition. The plaintiff seeks injunction against further infringement, but does not ask an accounting for profits or damages. The defense is that the trade-mark "Friendly" is descriptive, and therefore invalid; that the use of the trade-mark "The Friendly

Five" by the defendant has been so slight since 1933 that it need not be considered in this case; that there has been no infringement of the trade-marks and no unfair competition since the defendant has not used the name "Friendly" in connection with his shoes in such a way as to lead the public to believe, contrary to the fact, that he sells the plaintiff's product. The District Judge found for the defendant and dismissed the bill.

The copartnership known as Jarman Shoe Company began to use the two trade-marks for its shoes in 1924, and in 1925 registered the marks in the Patent Office as assignor to the plaintiff corporation. It has been the practice of the plaintiff to stamp the marks in different forms of type on the soles of its shoes, and also to print the name on labels affixed to the cartons in which the shoes are kept or shipped. The goods have been extensively advertised under the trade-marks, with the result that they are now handled by five thousand dealers and are sold in all of the states of the union and in eighteen foreign countries. Window cards bearing the trade-marks and used for display by the dealers have been furnished by the plaintiff, and the dealers themselves have advertised in local newspapers. In 1929 the plaintiff began to advertise in magazines of national circulation, and this practice has been continued to the present day. The name, "The Friendly Five," was used extensively until 1933 when it was decided to concentrate marketing efforts upon the name "Friendly," although the longer term has been retained and used to a small extent. In 1931 and 1932 radio broadcasting was employed on a national scale, featuring the name "Friendly Five." It was also used in 1935 to feature the term "Friendly." Billboard advertising has been used on a national scale. Dealers have been furnished with advertising matter bearing the trade-marks, including postal cards, envelopes, ash trays, advertising cuts, etc. In all, a sum in excess of one million dollars has been spent in advertising. The volume of sales has reached the sum of forty million dollars, of which more than one-half has consisted of goods bearing the trade-name "Friendly." Annual sales approximate four million dollars. The shoes have been sold in

West Virginia continuously since 1929 and in Charleston in that state since 1932.

Prior to 1936 the plaintiff used the trade-mark "Friendly" by itself in advertising matter upon the goods. Since that date it has been the unbroken custom to stamp the name on the goods in connection with the word "Jarman," which is also a registered trade-mark of the plaintiff. In some instances the emphasis is put on one word, and in other instances on the other. The advertising matter furnished or suggested by the plaintiff to its dealers, to be used by them in local newspapers, puts particular emphasis on the word "Friendly" in connection with the name of the dealer. This is true also of Neon signs and other advertising articles furnished by the plaintiff for use by the dealers. To some extent the word "Friendly" is given especial emphasis, separate and apart from the name "Jarman" or "Jarman Shoe Company," in plaintiff's national advertising.

The plaintiff has also used from time to time the slogan "Friendly to the Feet" in connection with its trade-marks. It is a fair conclusion from the evidence that no other shoe manufacturer uses or has used the trade-marks in suit, and also that the shoe trade very generally, and the public to a considerable extent, are aware that these trade-marks indicate the plaintiff's goods.

The defendant, as we have seen, changed the name of his business from "Men's Shop" to "Friendly Men's Shop" in 1935, in which year he registered the new name in West Virginia under the state Trade-Mark Statute, West Virginia Code, Ch. 47, Art. 2. His declared purpose, according to his answer in this suit, was it distinguish his shop from other like establishments in Charleston, and he declared that he sought also to distinguish the shoes sold by him, amounting from 10 to 15 percent of his gross sales, from the plaintiff's shoes by stamping the word "Friendly," as contained in the name of his shop, on the soles of his shoes in script rather than in print, as often used by the plaintiff on its shoes.

The word "Friendly" has been used on the shop fronts of the defendant, not only as part of the full name, but has also been dis-

played separately outside and inside his shop windows containing shoes in such a fashion as to suggest to a passer-by familiar with the plaintiff's mark that the goods were made by the plaintiff. The word "Friendly" has also been separately set into the tiled entrance into one or more of the stores. It has also been stamped on soles of some of the shoes sold by the defendant in connection with the word "Men's Shop" which appeared in smaller letters below.

This use of the word "Friendly" by the defendant in connection with the sale of his shoes led the Charleston dealer in "Friendly" shoes to complain, and the plaintiff filed a protest with the defendant and undertook an investigation of his methods. In the latter part of 1936 and the early part of 1937 attorneys, representing the plaintiff, wrote a number of letters to the defendant complaining that he was using the term "Friendly" in the conduct of his business, and was stamping the name on his shoes and thereby infringing the plaintiff's trade-mark "Friendly." He was asked to discontinue the use of the name. He replied, calling attention to the registration of the name "Friendly Men's Shop" under the West Virginia statute, and refusing to discontinue its use; but expressed the intention to discontinue the practice of stamping the name on shoes sold by him after the sale of a few remaining in his stores.

Subsequently, an agent of the plaintiff in March, 1937, ordered a pair of "Friendly" shoes from the defendant by mail and the order was filed. The agent was sent a pair of shoes on the soles of which was stamped the word "Friendly" above the words "Men's Shop" that appeared in smaller type. The price was $2.83 as compared with the price of $5 for which the "Friendly" shoes were usually sold. The shoes were packed in a box to which was affixed a label in which the word "Friendly" was conspicuously displayed above the words "Men's Shop" in smaller type; and the label also contained the slogan sometimes used by the plaintiff: "Friendly to Your Feet." The colors of the label on the box were similar to the colors used by the plaintiff in the labels on its boxes.

Later in the same month, the agent visited the defendant's stores in Charleston in order to purchase shoes in person. At one store

he was told that they did not sell "Friendly" shoes. At another store he was sold a pair as "Friendly" shoes, and they were delivered to him in a box similar to that which he received through the mail. At the third store he was also sold a pair of shoes and was told that they were "Friendly" shoes but stamped on the soles was the name "Autograph." As the result of these circumstances, the plaintiff brought suit against the defendant in July, 1937.

Coming to the defense that the marks are descriptive of the qualities of the goods, and are therefore invalid under the familiar rule of law, we confine ourselves to a consideration of the term "Friendly," since it is the use of this word by the defendant in the sale of shoes that is the burden of the complaint; and the evidence as to the present use of the phrase "The Friendly Five" by the defendant is too scant to justify an unnecesary ruling. Under the well-established rule of trade-mark law, a word or phrase which is primarily descriptive of the article to which it is attached may not be appropriated by any one as his exclusive trade-mark. *Columbia Mill Co.* v. *Alcorn,* 150 U. S. 460; *Kellogg Toasted Corn Flake Co.* v. *Quaker Oats Co.,* 6 Cir., 235 Fed. 657 [6 T.-M. Rep. 537]; *Bennett* v. *M'Kinley,* 2 Cir., 65 Fed. 505. On the other hand, an arbitrary or fanciful name, which has no relationship to the product, may be lawfully adopted and monopolized. *Hamilton Brown Shoe Co.* v. *Wolf Bros. & Co.,* 240 U. S. 261 [6 T.-M. Rep. 169].

Between these two extremes lies a middle ground wherein terms of mingled qualities are found. It cannot be said that they are primarily descriptive or that they are purely arbitrary or fanciful without any indication of the nature of the goods which they denominate Such terms, indeed, shed some light upon the characteristics of the goods, but so applied they involve an element of incongruity, and in order to be understood as descriptive, they must be taken in a suggestive or figurative sense through an effort of the imagination on the part of the observer. Many such suggestive terms have been approved as valid trade-marks by the courts, *e.g.,* "Mouse Seed" as applied to poisoned grain for mice, *W. G. Reardon Laboratories* v. *B. & B. Exterminators,* 4 Cir., 71 F. (2d) 515;

"Arch Builder" and "Heel Leveler" as applied to shoes, *In re Irving Drew Co.*, Co. Apps. D. C., 297 Fed. 889 [14 T.-M. Rep. 225]; "Chicken of the Sea," as applied to canned tuna, *Van Camp Sea Food Co.* v. *Alexander B. Stewart Organizations*, C. C. P. A., 50 F. (2d) 976 [23 T.-M. Rep. 370]. See, also, *Sierra Chemical Co.* v. *Berettina*, 7 Cir., 33 F. (2d) 397 [19 T.-M. Rep. 324]. In our opinion, the word "Friendly," as applied to shoes, belongs in this classification. Primarily it is applied to animate objects in the sense of pertaining to a friend or befitting friendship. When used in a figurative sense in connection with an article of apparel it suggests one that is comfortable or suited to the needs of the wearer, as is indicated in the slogan "Friendly to the Feet"; but its appropriateness in this respect becomes apparent to the reader only after some mental effort on his part.

Our conclusion is that the term "Friendly" as applied to shoes is a valid trade-mark entitling the owner to the protection of the court; and it is not invalidated by the fact that in many instances, perhaps the majority, it has been used by the plaintiff on its goods and in its advertising matter in connection with its trade-mark "Jarman." More than one trade-mark may be used by the owner upon his wares without invalidating either. It is of course possible that marks may be so completely associated with one another in the minds of the public as not to indicate separately the origin of the goods. But the evidence in this case tends to show that no other manufacturer of shoes made use of the term "Friendly," and that it, as well as the term "Jarman," has come to denote the plaintiff's goods. See *Loonen* v. *Deitsch* (C. C. S., N. Y.), 198 Fed. 487 [1 T.-M. Rep. 278].

There is also sufficient proof of infringement in this case. Whatever may have been the intention of the defendant, the tendency of his practices to deceive the public insofar as his business related to the sale of shoes is manifest from the above recital of facts.

The claim of the plaintiff may also be vindicated by an appeal to the sanctions relating to unfair competition. The evidence shows that the term "Friendly" has acquired a secondary meaning by ex-

tensive advertising and large sales during a period of more than fifteen years. It has come to indicate to prospective purchasers that the shoes under it originate in the plaintiff's factory, and since the defendant's use of the term is likely to deceive the public, the plaintiff on this ground is entitled to an injunction. *Armstrong Paint & Varnish Co.* v. *Nu-Enamel Co.*, 305 U. S. 315; *Holeproof Hosiery Co.* v. *Wallach Bros.*, 2 Cir., 172 Fed. 859 [2 T.-M. Rep. 153]; *Kellogg Toasted Corn Flake Co.* v. *Quaker Oats Co.*, 6 Cir., 235 Fed. 657 [6 T.-M. Rep. 537]; *W. G. Reardon Laboratories* v. *B. & B. Exterminators, supra; Chapin-Sacks Mfg. Co.* v. *Handler Creamery Co.*, 4 Cir., 254 Fed. 553 [9 T.-M. Rep. 123]; *Nims, Unfair Competition*, 3rd Ed., pp. 4, 106, 108, 544. *Cf. Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111 (39 U. S. P. Q. 296). The jurisdiction of the court on this aspect of the case is supported not only by diversity of citizenship of the parties and the requisite jurisdictional amount, but also by the fact that the allegations of the complaint with respect to the registered trade-marks gave the court jurisdiction with power to deal with all grounds supporting the plaintiff's claim. *Armstrong Paint & Varnish Co.* v. *Nu-Enamel Co.*, 305 U. S. 315, 324; *Hurn* v. *Oursler*, 289 U. S. 238 [23 T.-M. Rep. 267] (17 U. S. P. Q. 195); *Waterman Co.* v. *Gordon*, 2 Cir., 72 F. (2d) 272.

We do not think, however, as the plaintiff seems to suggest, that the defendant should be enjoined from the use of the name "Friendly Men's Shop" as the appellation of his business There are well considered cases which hold that a manufacturer may not adopt, as part of the name of his business, the established trade-mark of another, if thereby the public would be led to believe that the goods made by the former were produced by the latter. *Vogue Co.* v. *Thompson Hudson Co.*, 6 Cir., 300 Fed. 509 [15 T.-M. Rep. 1]; *Yale & Towne Mfg. Co.* v. *Haber*, 7 F. Supp. 791 [24 T.-M. Rep. 556]; *Wall* v. *Rolls Royce of America*, 3 Cir., 4 F. (2d) 333; *Del Monte Special Food Co.* v. *California Packing Corp.*, 9 Cir., 34 F. (2d) 774 [19 T.-M. Rep. 443]; and *Mantle Lamp Co.* v. *Aladdin Mfg. Co.*, 7 Cir., 78 F. (2d) 426 [25 T.-M. Rep. 427]. But the

rule does not permit one who has adopted a common word to indicate a product of his manufacture, so to monopolize the term as to exclude others from using it in any kind of business. See, *Rosenberg Bros. & Co.* v. *Elliott*, 3 Cir., 7 F. (2d) 962 [15 T.-M. Rep. 479]. The property which the plaintiff has acquired in the word "Friendly" extends only to its use in relation to shoes, and the defendant did not trespass upon forbidden territory by incorporating the word within the name of his places of business. His offense consists in so using and displaying it in the shoe department of his establishments as to lead the public to suppose that his shoes came from the plaintiff's factory. The facts justify and require the issuance of an injunction, but it should be so limited as to enjoin the defendant from using the word "Friendly," either in or separate from the name of "Friendly Men's Shop," with respect to the display or sale of shoes, in such a way as to be likely to confuse the public and lead them to suppose that the defendant's goods had been made by the plaintiff.

The judgment will be reversed and the case remanded for further proceedings in accordance with this opinion. Reversed.

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## Lawyers Title Ins. Co. v. Lawyers Title Ins. Corporation

(109 F. [2d] 35)

*United States Court of Appeals, District of Columbia*

*October 16, 1939*

Unfair Competition—Right to Corporate Name.

Under ordinary circumstances a corporation acquires rights in its name, which are to some extent exclusive. A prior incorporator may, accordingly, enjoin a later one from assuming an identical or confusingly similar name.

Unfair Competition—Corporate Names—Laches—Distinguishing Notice.

If the first incorporator's name is assumed by another before timely objection is made, the assumption ordinarily stands; but if used by the second party in a manner injurious to the first, or confusing to the public, is enjoined, provided the injured party does not wait too long, such injunction being usually subject to the addition of sufficiently distinguishing matter in the second party's public use of the name.

UNFAIR COMPETITION—CORPORATE NAMES—DOMESTIC VERSUS FOREIGN CORPORATIONS.

A domestic corporation may require a foreign one entering later to distinguish itself and *vice versa*, but if this is done, the former generally cannot exclude the latter.

UNFAIR COMPETITION — CORPORATE NAME — RELIEF — APPLICABILITY TO TRADE-MARKS AND TRADE-NAMES.

In case involving the imitation of corporate names, relief is granted under circumstances and subject to limitations equally applicable to trade-marks and trade-names.

UNFAIR COMPETITION—"LAWYERS TITLE INS. CO." AND "LAWYERS TITLE INS. CORPORATION.

In the case at issue, where plaintiff, a corporation organized in 1896 as "Lawyers' Title and Guaranty Ins. Co.," in 1922 changed its name by omitting the words "and Guaranty," and since January 1, 1923 conducted its business of certifying titles in connection with two other title companies, under the name "Consolidated Title Company," *held* that, inasmuch as plaintiff had abandoned the use of its corporate name and merged its identity with the firm name mentioned, it was without right to enjoin defendant from the use of the name "Lawyers' Title Ins. Corporation."

UNFAIR COMPETITION—CORPORATE NAMES—SOURCE OF RIGHT.

Exclusive right arises only from distinctive use. In the case at issue, therefore, whatever plaintiff's rights might have been had it maintained distinctive identification in its separate name, it did not do so, but abandoned the right to exclusive use and conducted its business under another name, between which and defendant's the probability of confusion was remote.

In equity. Action for alleged unfair competition in the use of a corporate name. Appeal from the United States District Court, District of Columbia, dismissing the bill. Affirmed. For the decision below, see 28 T.-M. Rep. 441.

*Louis M. Denit, Thomas Searing Jackson* and *J. Richard Earle*, all of Washington, D. C., for appellant.

*H. Cecil Kilpatrick*, of Washington, D. C., and *Andrew D. Christian*, of Richmond, Va., for appellee.

Before GRONER, Chief Justice, and MILLER and RUTLEDGE, Associate Justices.

RUTLEDGE, A. J.: The appeal is from a judgment dismissing the bill after hearing on the merits as to both law and facts. The parties will be designated as they stood below. Plaintiff sought an injunction restraining defendant from using its corporate name for doing the business of insuring real estate titles in the district of

Columbia. The corporate names of plaintiff and defendant are identical except for the difference between the words "company" and "corporation."

Plaintiff is a District corporation, organized in 1896 under the name "Lawyers Title and Guaranty Insurance Company." In 1922 the name was changed formally by omitting the words "and Guaranty." From 1896 to 1922 plaintiff conducted its business, principally certification of titles entirely independently. In the latter year it made a "working agreement" with two other District title companies, previously competitors, the District Title Insurance Company and the Washington Title Insurance Company, as plaintiff's president testified, to reduce operating costs and give customers greater financial responsibility. The three companies undertook to elect identical officers, occupy a single building, pool equipment, including records (title to those then existing was not affected), issue joint certificates of title, contribute specified sums as working capital, and share profits (and losses) in stipulated percentages (40 percent to plaintiff) after paying all expenses, including salaries. The agreement provided for termination by vote of shareholders owning two-thirds of the capital stock of any one of the companies. A majority of the stock of each corporation now is held by a fourth, the Consolidated Title Company. The contract appears to embody all of the elements essential to constitute a partnership among the constituent companies, effective, if valid, perpetually except at the will of the holding corporation, Consolidated Title Company.

The contract became effective January 1, 1923, and has been carried out continuously since that date in accordance with its terms. The work involved in certifying titles is done on behalf of all the companies by a single staff with a single plant in a single office. The "cooperating" corporations have identical officers (except directors, who interlock to some extent) and identical employees who are "jointly" paid; maintain (since 1922) a single set of records and indices; collect "jointly" all fees for title certificates and premiums for insurance; keep these in a "joint" bank account, from which they pay "joint" expenses and distributive shares of profits. The

latter go to the constituent companies, which keep separate bank accounts from which each pays its own dividends and expenses, principally taxes and license fees.

There is no formal "partnership" name, but in doing business with the public the corporate name of each constituent has become merged in either a full combination or some abbreviation of the three corporate names. Whether in the combination or an abbreviation, the name appearing first is that of the District Title Insurance Company. Plaintiff's name appears in second place, between the other two. This order is followed on printed forms of certificates of title, policies, letterheads, etc., and in official signatures which are made by a single "joint" officer. No separate forms for each company appear to exist. The office building signs are: "1413 The District Lawyers Washington Title Insurance Companies." The findings of fact state that plaintiff and its associates are called generally by the public, "The District Title Company," "The District Title Insurance Company," "The District Title Companies," "The District Title Insurance Companies," "The District Lawyers and Washington," or the "D. L. & W."[1]; that plaintiff is not referred to in business circles as "The Lawyers Title Insurance Company," and that there is no evidence that plaintiff ever acquired a reputation under that name alone.[2]

Prior to 1935, plaintiff's associate, the District Title Insurance Company, qualified to do business in Virginia as a foreign corporation. It does not appear that this business is conducted in any way

[1] Plaintiff and its associates, as well as the public, use these designations.

[2] In view of the original form of plaintiff's name, including the words "and Guaranty" until 1922, when the "working agreement" gave rise to the combined forms of designation. Some correspondence is addressed to plaintiff in its own name, but much of that referred to in evidence was written by plaintiff's officers or directors, or concerns with which they are associated. In a few instances mail intended for defendant has been delivered to plaintiff. *Cf.* note 49, *infra*. Plaintiff's internal dealings, *i.e.*, those involving communications with its shareholders, as in regard to dividends, financial reports, etc., are made in its own name, as, of course, are payments of its taxes, etc. The overwhelming evidence, however, sustains the finding that plaintiff is not known generally by the public purchasing title service as a separate, independent concern doing business in its present and separate corporate name.

differently from that done in the District. Presumably, therefore, it is done on behalf of plaintiff pursuant to the "working agreement."

Defendant was incorporated in Virginia in 1925, has its home office in Richmond, and has qualified to do business in seventeen states and in the District. Its business consists exclusively in insurance of titles, not in issuance of certificates. Prior to 1935 it issued policies on property in the District, but only on certificates issued by local title companies, some by plaintiff. Defendant attempted to induce plaintiff to become its agent in the District, but plaintiff declined. Failing to find another satisfactory agent, defendant qualified in the District in 1935, and on June 13, 1938, opened its own office less than a block distant from plaintiff's. It is admitted that qualification and entry by plaintiff's associate in Virginia had some, but not controlling, influence in causing defendant to qualify to do business in the District.

The trial court found that defendant's entrance into the District was "in the process of the natural and logical development of its business," not only for expansion but to give more efficient service to existing customers; that the location of its office was selected, not to divert business *unfairly* from plaintiff, but because of its nearness to offices of real estate brokers and others having title business; that defendant did not choose its name originally in order to lure business from plaintiff (in fact, at that time it had no intention of compeing with plaintiff); and that defendant has done all that reasonably could be required of it to prevent confusion of identity with plaintiff.

Evidence sustaining the latter finding shows that on defendant's office door, letterheads, forms, signs, advertising and telephone listings, it has added to the statement of its corporate name distinguishing matter, such as "Home Office—Richmond, Virginia, Washington Branch." Similarly distinguishing identification is made orally in answering telephone calls. Distinctive type, color and arrangement, not similar to those used by plaintiff, are employed in signs, letterheads, forms, etc.

The court found further that title certificates and policies are obtained in Washington principally by real estate brokers and

lawyers for their clients, and by banks, insurance companies, loan and trust companies and building associations, all of whom are experienced in title matters, will not be misled by the similarity of names, and constitute a discriminating clientele; that there is no evidence disclosing any injury to plaintiff by defendant's conduct; and that there is no reasonable probability that plaintiff will suffer injury on account of confusion of identity with defendant, in view of the dissimilarity in publicity created by defendant.[3]

Pursuant to these findings, the court denied relief to plaintiff and dismissed the bill on three grounds: (1) That plaintiff has not shown such similarity of names by which it and defendant are known publicly as to deceive plaintiff's customers and divert their business to defendant; (2) that defendant has done all that reasonably could be required to prevent confusion of identities; and (3) that the services in question are rendered to a discriminating clientele, who will not be misled by "any fortuitous similarity" of the corporate names.

We think the findings of fact are sustained by the evidence and that the judgment was right.

The corporate names may be regarded as identical. The stated objects and the enterprises carried on overlap, even in the technical sense, since plaintiff is authorized to issue and to a very limited extent does issue policies of insurance.[4] Further, although there are important technical differences between insuring titles and certifying them,[5] the practical effect of extending title insurance is to

[3] Evidence of actual injury hardly could have been produced, since the bill was filed less than a month after the Washington branch office was opened.

[4] During four and one-half years, 1934-1938, plaintiff and its associated corporations issued 39,445 certificates of title and 1,349 insurance policies.

[5] Defendant places some emphasis upon the technical differences in liability, asserting also that its business is insurance and that of plaintiff the practice of law. Important as such differences may be for other purposes, they cannot negative the very real competitive consequences of each type of activity for the other.

The conception of unfair trade no longer is limited to competition in the sale of identical or similar products. "Any act committed by the junior corporation which would cause damage to the credit, or reputation for integrity and fair dealing of the senior corporation, if committed by the latter, would injure it if the public, because of the similarity of the names, should

curtail certification. The businesses are highly competitive and plaintiff seeks to ward off danger threatening its entire operations.

The case involves no deliberate attempt by one competitor to simulate another or crafty scheme for luring away business by deception. Both parties have conducted themselves honorably and with regard for high conceptions of business ethics. Their subjective attitudes, if material,[6] are not fraudulent or dishonest. The naked question is whether plaintiff has an exclusive right, by virtue of prior appropriation in this jurisdiction, to use the name which each has acquired lawfully and with honest purpose.

The decision below was based on principles applicable in a case presenting issues of unfair competition, in which considerations relating to deception of the public and injury, actual or probable, to plaintiff's business determine the scope of the right and of the remedy applied to protect it.[7]

Plaintiff contends, however, that it has acquired in its name a more absolute right, unqualified by necessity for showing such injury or danger of public confusion. Defendant's right to do business in the District is not, and could not well be, disputed. But if defendant does so, plaintiff asserts, in effect, that it must use a new name, different from that in which it has been incorporated and with which it has built good-will in many places. It is the name, therefore, and not merely the business which is done in it, to which plaintiff claims exclusive title and use. *Prior in tempore, prior* [*et solus*] *in jure est* summarizes plaintiff's view.

attribute such act to the senior corporation." Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 10 Cir., 1932, 56 F. [2d] 973, 977 [22 T.-M. Rep. 363], and authorities cited, particularly in note 1. *Cf.* Ralston Purina Co. v. Saniwax Paper Co., D.C.W.D. Mich., 1928, 26 F. [2d] 941 [19 T.-M. Rep. 7]; 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2432; Nims, *Unfair Competition and Trade-Marks* (3d Ed. 1929) § 9a.

[6] *Cf.* Handler & Pickett, *Trade-Marks and Trade-Names* (1930) 30 Col. L. Rev. 168, 759 at 769-777; Annotation 66 A. L. R. 948, 954-957. But see Eastern Const. Co., Inc. v. Eastern Engineering Corp., 1927, 246 N. Y. 459, 159 N. E. 397, 399 [18 T.-M. Rep. 122]. Apparently, the absence of subjectively fraudulent motive cannot overcome a confusing effect created by identity or similarity of name; but the presence of one conduces to aid the court in finding that such an effect exists.

[7] *Cf.* Nims, *op. cit. supra*, note 5, c. 2; and notes 30-32, *infra*.

The basis of the claim is not clear in respect to either the source or the extent of the right. Whether created as an implied grant from the bare act of incorporation or from that combined with use in trade,[8] questions arise as to the nature and scope of the asserted monopoly of words. Is it a sort of "absolute property," effective to exclude others, without regard to abandonment by the prior appropriator, use by others prior to the incorporation, the presence or absence of competition or possible infringement of good-will by the later comer, or, competition existing, to special circumstances overcoming or minimizing probability of public confusion by the merely nominal identity? In other words, is there an exclusive preemption, invariable with time and circumstance, more absolute than the landowner's freedom from invasion or the trade-mark owner's privilege against infringement? Or, on the other hand, is the right less extensive and invariable, dependent on considerations of fair play in business, relative to the total situation and taking account of all its factors, not referable to and defined by the single fact of nominal identity? Whether on some formalistic conception of property, presumably implied from the act of incorporation, or, what is the same thing, of unfair competition coupled with a conclusive presumption of unfairness and of injury from the identity of names,[9] plaintiff asserts that such identity of itself is conclusive against use by any later comer. It claims, therefore, a protection broader and more enduring than that conferred by the trade-mark statutes[10] or by the law of unfair trade.

[8] *Cf.* note 12, *infra.*

[9] *Cf.* note 24, *infra.*

[10] Act of Feb. 20, 1905, 33 Stat. 724, c. 592, 15 U. S. C. A. § 81 *et seq.* Section 5 forbids registration of a "mark which consists merely in the name of an individual, firm, corporation, or association, not written, printed, impressed, or woven in some particular or distinctive manner or in association with a portrait of the individual." 34 Stat. 1251, c. 2573 (1907). *Cf.* The Asbestone Co. v. Phillip Carey Mfg. Co., 1914, 41 App. D. C. 507; Mansfield Tire & Rubber Co. v. Ford Motor Co., 1915, 44 App. D. C. 205 [6 T.-M. Rep. 141]; Howard Co. v. Baldwin Co., 1919, 48 App. D. C. 437 [13 T.-M. Rep. 109]. It has been asserted that Congress had the common law principles of unfair competition in mind when it enacted the Trade-Mark Act. Sutherland, J., in American Steel Foundries v. Robertson, 1926, 269 U. S. 372, 381, 46 S. Ct. 160, 162, 70 L. Ed. 317 [25 T.-M. Rep. 168], a dictum going so far as to confine the power of Congress to legislate regarding "the substantive

We find no authority to sustain a right so absolute. No statute confers it in specific terms.[11] Nor does mere incorporation do so by implication.[12] Ordinarily, that creates rights in the name which may be called broadly, and therefore ambiguously, "property rights." These include the capacity to take and hold property, to contract, to sue and be sued, and to perform other legal acts in the corporate name as well as to be known by it in the purely nominative sense,

law of trade-marks" to the supposedly prevailing general law of unfair competition.

[11] The District has no statute, such as is common elsewhere [*cf.* 6 Fletcher Cyc. Corp. (Perm. Ed.) 12 notes 56 *et seq.;* 66 A. L. R. 948, 951], prohibiting incorporators to adopt a name identical with that of an existing corporation or so similar as to mislead or cause confusion to the public. It is questionable whether such acts do more than codify, for purposes of incorporation, the common law of unfair trade [*cf.* (1932) 20 Calif. L. Rev. 633, 634 n. 8; notes 12, 14, 22 and 32, *infra*] or have application to foreign corporations. They are obviously akin to Section 5 of the Trade-Mark Act (*cf.* the preceding note) in protecting the corporate name.

[12] "It cannot be the law that three or more persons may, either under our general corporation law or by special act of the Legislature, become incorporated by any name which they may select for the purpose of engaging in some branch or trade or manufacture, and thereby, *without engaging in the business* of buying, selling, or manufacturing the article or product named in its charter, acquire a perpetual monopoly in the corporate name." [Italics supplied] Blackwell's Durham Tobacco Co. v. American Tobacco Co., 1907, 145 N. C. 367, 59 S. E. 123, 126, 127. To the same effect are Grand Lodge v. Graham, 1896, 96 Iowa 592, 65 N. W. 837, 31 L. R. A. 133; Rodseth v. Northwestern Marble Works, 1915, 129 Minn. 472, 152 N. W. 885, Ann. Cas. 1917A, 257; Waterman Co. v. Modern Pen Co., 1914, 235 U. S. 88, 35 S. Ct. 91, 59 L. Ed. 142. *Cf.* 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2425 notes 38-40 (distinguishing cases arising under the statutes referred to in the preceding note and those not involving legislation), also §§ 2426, 2429 n. 84, and 2419 n. 51; Nims, *op. cit. supra* note 5, § 83 (1932) 20 Calif. L. Rev. 633 n. 4; 66 A. L. R. 948, 953. "The name is not imposed by the law, but is chosen by the incorporators. With that selection the sovereignty of the state has nothing to do. . . . The sovereign by the act of incorporation adjudges neither the legality of the business proposed, nor of the name assumed." The Peck Brothers & Co. v. Peck Bros. Co., 7 Cir., 1902, 113 Fed. 291, 300, 62 L. R. A. 81, *certiorari* denied, 1902, 187 U. S. 643, 23 S. Ct. 843, 47 L. Ed. 346; 6 Fletcher, *supra*, § 2415.

Incorporation, like registration of a trade-mark, should preempt the name (if it is susceptible to preemption; *cf.* notes 32 and 53, *infra*) for a reasonable period in which to allow business to begin. *Cf.* Drugs Consolidated, Inc. v. Drug Incorporated, 1929, 16 Del. Ch. 240, 144A 656. To this extent incorporation and registration take the place of user in the case of a trade-name. Preemption for such a period is not the equivalent of perpetual monopoly without use in trade.

without reference to any function of excluding others.[13] Further, under ordinary circumstances, a corporation acquires rights in its name which are to some extent exclusive. A prior incorporator may enjoin a later one from assuming an identical or confusingly similar name.[14] The same relief, however, is given to the owner of the name of an unincorporated business.[15] If the first incorporator's name is assumed by another before timely objection is interposed, the assumption orinarily stands, but use by the second comer in a manner injurious to the first or confusing to the public is enjoined,[16] provided the enjoiner does not wait too long,[17] and subject usually to clarification of identity by addition of sufficiently distinguishing matter in the latecomer's public use of the common name.[18] Similar

[13] Broadly such uses, though nonexclusive, may be considered "property," since others cannot deprive the corporation of them. *Cf.* notes 16 and 47, *infra.*

[14] Either pursuant to statute (*cf.* note 11, *supra*) or possibly in the absence of one [*cf.* 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2419 n. 58]. Authority actually sustaining the specific point is surprisingly small [*cf. id.* § 2419 notes 58, 59 and 61; (1932) 20 *Calif. L. Rev.* 633], probably because incorporation usually can be completed before preventive proceedings can be instituted. Some conflict appears as to injunctive interference with the statutory officer's determination of similarity (6 Fletcher, *supra,* § 2419 notes 61 and 62), but in any event it is reviewable judicially (*id.* § 2419 notes 67 and 68). Protection against trade-mark registration has been much more clearcut. *Cf.* the decisions of this court cited in note 10, *supra.*

[15] Dyment v. Lewis, 1909, 144 Iowa 509, 123 N.W. 244, 26 L. R. A., N. S., 73; Children's Bootery v. Sutker, 1926, 91 Fla. 60, 107 So. 345, 44 A. L. R. 698 [16 T.-M. Rep. 211]; Pettes v. American Watchman's Clock Co., 1903, 89 App. Div. 345, 85 N. Y. S. 900; Eastern Outfitting Co. v. Manheim, 1910, 59 Wash. 428, 110 p. 23, 35 L. R. A., N. S. 251.

[16] See the authorities cited in 6 Fletcher Cyc. Corp. (Perm. Ed.) §§ 2422, 2424 n. 17; 66 A. L. R. 948, 1022 *et seq.*

[17] See note 47, *infra.*

[18] *Cf.* John B. Stetson Co. v. Stephen L. Stetson Co., Ltd., 2 Cir., 1936, 85 F. [2d] 586 [26 T.-M. Rep. 527], *certiorari* denied, 1936, 299 U. S. 605, 57 S. Ct. 232, 81 L. Ed. 446; Waterman Co. v. Modern Pen Co., 1914, 235 U. S. 88, 35 S. Ct. 91, 59 L. Ed. 142 [5 T.-M. Rep. 1]; Federal Securities Co. v. Federal Securities Corp., 1929, 129 Ore. 375, 276 P. 1100, 66 A. L. R. 934; Investor Pub. Co. of Mass. v. Dobinson, C. C. S. D. Cal. 1897, 82 Fed. 56; Chickering v. Chickering & Sons, 7 Cir. 1914, 215 Fed. 490 [4 T.-M. Rep. 279]; Farmers' Loan & Trust Co. v. Farmers' Loan & Trust Co. of Kansas, Sup. Ct. 1888, 21 Abb. N. C. 104, 1 N. Y. S. 44.

Where the corporate name has acquired "secondary significance" so far that only one source in trade can be indicated by it, as in Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 10 Cir., 1932, 56 F. [2d] 973 [22 T.-M. Rep. 363], the only form of relief effective to prevent

protection is given to trade-marks[19] and trade-names[20] against piracy by subsequent incorporation. A domestic corporation may acquire a foreign one entering later similarly to distinguish itself and *vice versa*,[21] but if this is done, generally cannot exclude it.[22]

Some of the opinions speak in terms of "property" as the basis for the exclusion,[23] others in the language of unfair competition with a conclusive presumption of public confusion and of injury to the prior appropriator's business in cases of nominal identity.[24] The

confusion in trade may be an injunction prohibiting use of the name entirely. If so, resort to conceptions of "property" is not necessary. The law of unfair trade is adequate to supply the full relief required.

[19] Rice & Hutchins, Inc. v. Vera Shoe Co., Inc., 2 Cir., 1923, 290 Fed. 124 [13 T.-M. Rep. 389]; *cf.* Juvenile Shoe Co., Inc. v. Federal Trade Commission, 9 Cir., 1923, 289 Fed. 57 [13 T.-M. Rep. 300].

[20] 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2424 n. 18.

[21] International Trust Co. v. International Loan & Trust Co., 1891, 153 Mass. 271, 26 N. E. 693, 10 L. R. A. 758; Federal Securities Co. v. Federal Securities Corp., *supra*, and authorities discussed in 66 A. L. R. 948, 1004-1013.

[22] *Cf.* 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2419 n. 57, asserting that statutes prohibiting identical or similar names require a dissimilar one as a qualification for admission; but, to the contrary, see Nims, *op. cit. supra* note 5, § 84; 66 A. L. R. 948, 1004-1006 (1932); 20 Calif. L. Rev. 633, n. 3. Illinois appears to stand alone in favoritism to local enterprise. But the line of cases there asserting that a foreign corporation enters the state subject to having its name pirated by a subsequently formed domestic corporation is said to be of doubtful authority on the facts presented (*cf.* 66 A. L. R. 948, 1004 *et seq.*) and has not been followed elsewhere.

[23] See the authorities cited in Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 10 Cir., 1932, 56 F. [2d] 973, 975 [22 T.-M. Rep. 363], wherein it is said: "This is not strictly a suit to enjoin unfair competition. It is in the nature of a bill *quia timet* to enjoin the threatened unlawful use of a corporate name," apparently on the premise that actual, present competition is required to maintain the former type of suit, though probable deception and injury also are relied on to support the decision.

[24] American Clay Mfg. Co. v. American Clay Mfg. Co. of N. J., 1901, 198 Pa. 189, 47 A. 936, 937, relying on Ft. Pitt Building & Loan Ass'n v. Model Plan Bldg. & Loan Ass'n, 1893, 159 Pa. 308, 28 A. 215. Both cases relied on Newby v. Oregon Central Ry., C. C. D. Or. 1869, Deady 609, Fed. Cas. No. 10,144. In both of the Pennsylvania cases, under the circumstances shown, confusion of the public was inevitable. The Newby case held a corporate name analogous to a trade-mark and entitled to the same protection. Probability of injury and inadequacy of legal remedy were emphasized. *Cf.* also, Paulino v. Portuguese Ben. Ass'n, 1893, 18 R. I. 165, 26 A. 36, 20 L. R. A. 272 and Boston Rubber-Shoe Co. v. Boston Rubber Co., 1889, 149 Mass. 436, 21 N. E. 875. The former involved no question of unfair competition; the latter held that *quo warranto* cannot be employed by one other than the state to test the right of a corporation to use its name under a corporate name statute.

larger number frankly assimilate corporate names to trade-marks[25] or to trade-names,[26] with results varying somewhat according to the classification adopted but in respects not material here.[27] Frequently "property" and unfair trade conceptions are intermingled.[28]

Whether one or another approach is taken, and except possibly when the issue is prevention of assumption,[29] relief is granted under circumstances, upon considerations and subject to limitations equally applicable either to trade-marks or to trade-names.[30] Either

[25] Newby v. Oregon Central Ry., *cit. supra* note 24; General Film Co. of Missouri v. General Film Co. of Maine, 8 Cir., 1916, 237 Fed. 64 [7 T.-M. 50]; Grand Lodge, K. P. of North and South America v. Grand Lodge, K. P., 1911, 174 Ala. 395, 56 So. 963. *Cf.* United States Light & Heating Co. of Maine v. United States Light & Heating Co. of New York, C. C. S. D., N. Y. 1910, 181 Fed. 182.

[26] *Cf.* American Steel Foundries v. Robertson, 1926, 269 U. S. 372, 46 S. Ct. 160, 70 L. Ed. 317 [16 T.-M. Rep. 51]; Nims, *op. cit. supra* note 5, § 88. It has been suggested that whether the name be deemed a trade-mark or a trade-name depends on whether it is "arbitrary and fanciful" or merely descriptive or geographical. American Products Co. v. American Products Co., D. C. E. D. Mich. 1930, 42 F. [2d] 488 [20 T.-M. Rep. 573]; Central Shoe Co. v. Central Shoe Co., Inc., D. C. Mass. 1932, 58 F. [2d] 680 [22 T.-M. Rep. 50]; Farmers' Loan & Trust Co. v. Farmers' Loan & Trust Co. of Kansas, Sup. Ct. 1888, 21 Abb. N. C. 104, 1 N. Y. S. 44.

[27] *Cf.* notes 34 and 35, *infra.*

[28] *Cf.* Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 10 Cir., 1932, 56 F. [2d] 973 [22 T.-M. Rep. 363].

[29] *Cf.* note 14, *supra.*

[30] *Cf.* American Steel Foundries v. Robertson, 1926, *supra;* Beech-Nut Packing Co. v. P. Lorillard Co., 1927, 273 U. S. 629, 47 S. Ct. 481, 71 L. Ed. 810 [17 T.-M. Rep. 159]; (1932) 20 Calif. L. Rev. 633, 637, 639; Fletcher Cyc. Corp. (Perm. Ed.) § 2423; Nims, *op. cit supra* note 5, § 92.

Though protection still is given to trade-marks in some situations where it would be denied to trade-names (*cf.* notes 34 and 35, *infra*), the limitations placed on it show that conceptions of unfair trade are its foundation. The right is said to grow out of use, not mere adoption, *cf.* Hanover Star Milling Co. v. Metcalf, 1916, 240 U. S. 403, 413, 36 S. Ct. 357, 60 L. Ed. 713 [6 T.-M. Rep. 148]; but *cf.* also note 12, *supra;* exists only as a protection for a business, trade or good-will, 240 U. S. 413, 414, 36 S. Ct. 357, 60 L. Ed. 713; Rice-Stix Dry Goods Co. v. Schwarzenbach-Huber Co., 1918, 47 App. D. C. 249 [17 T.-M. Rep. 124]; formerly was subject to appropriation for use on noncompeting goods, Hanover Star Milling Co. v. Metcalf, *supra,* though this doctrine is being qualified in recent cases where good-will is endangered by acts other than direct competition. Great Atlantic & Pacific Tea Co. v. A. & P. Radio Stores, Inc., D. C. E. D. Pa. 1937, 20 Fed. Supp. 703 [27 T.-M. Rep. 783]; Martha Washington Candies Co. v. Goldstein, D. C. M. D. Pa. 1938, 23 Fed. Supp. 861 [28 T.-M. Rep. 438]; Churchill Downs Distilling Co. v. Churchill Downs, Inc., 1936, 262 Ky. 567, 90 S. W. 2d 1041 [26 T.-M. Rep. 209], including those extending the "expansion

confusion of the public or injury to the plaintiff's business, actual or probable, generally both, will be found implicit in the facts. That these are the unstated assumptions underlying the asserted existence of "property" is shown both by the form of relief ordinarily granted,[31] and the limitations of fact under which it is given.[32]

The limitations thus measuring the scope of legal protection are consistent with a foundation encompassed by preventing or repairing damage caused by confusing or deceptive use in trade. They are not consistent with any notion of absolute property created merely by incorporation and effective to exclude others, regardless of time and circumstance. Neither on authority nor on principle do we find that corporate names are given or need protection greater than that accorded to trade-marks and trade-names. Such protection (or any degree of exclusion) is irrelevant to the purely nominative function. The exclusive function has significance only in relation to trade. If a competitive or other use is fair in respect to a trade-

area," Sweet Sixteen Co. v. Sweet "16" Shop, Inc., 8 Cir., 1926, 15 F. [2d] 920 [17 T.-M. Rep. 71]; cannot be assigned in gross, Rice-Stix Dry Goods Co. v. Schwarzenbach-Huber Co., *supra;* may be lost by acquiescence in use by another continued sufficiently long, Beech-Nut Packing Co. v. P. Lorillard Co., *supra,* and by abandonment, *cf.* Saxlehner v. Eisner & Mendelson Co., 1900, 179 U. S. 19, 21 S. Ct. 7, 45 L. Ed. 60, Rice-Stix Dry Goods Co. v. Schwarzenbach-Huber Co., *supra,* laches, *id.,* or degeneration into a generic term, Dupont Cellophane Co., Inc., 2 Cir., 1936, 85 F. [2d] 75 [26 T.-M. Rep. 513], *certiorari* denied, 1936, 299 U. S. 601, 57 S. Ct. 194, 81 L. Ed. 443, But *cf.* notes 32 and 47, *infra,* as to corporate names.

[31] *Cf.* note 18, *supra.*

[32] *Cf.* notes 12, 16-30, *supra.* The basic principle is priority in appropriation (whether by incorporation, trade-mark registration or trade-name user) and use, not mere incorporation. The latter gives way to previously acquired trade-names, trade-marks, names of individuals and unincorporated concerns, and of foreign and domestic corporations. Incorporation of itself has no preemptive magic, except, like trade-mark registration, to replace user of a trade-name so as to withdraw it from immediate general appropriation (*cf.* note 12, *supra*) and to preserve it, apparently, for a somewhat longer time against abandonment, waiver, acquiescence and laches. *Cf.* note 47, *infra.* These differences arose when the full scope of unfair trade protection was unrealized, and, so far as they represent merely "hangovers" from that day, disappear with the reasons for them in its expansion. *Cf.* notes 34 and 35, *infra.* To some extent, however, they reflect the needs, vital now as always, to shortcut the user process in bringing protection into play and to require definite evidence of termination. So far as they have present validity, they do not contradict the basic principle, but only make the occasions for its application more certain.

mark or a trade-name, we do not see upon what principle it can be deemed unfair in relation to an identical corporate name. For purposes of exclusion its function is not different from that of trade-marks and trade-names, namely, to identify source in trade and to build good-will toward it.[33] In the absence of trade, present or prospective, and corresponding good-will, this function is as meaningless for corporate names, as for trade-marks and trade-names. Though each protects reasonable expectations for future trade, none serves or should serve solely to exclude others without possible benefit to the originator. Each has unique protections or occasions for protection, but the distinctions are vanishing in the expanding conceptions of unfair trade.[34] With that expansion, sharp and technical differentiations disappear, though need for some important distinctions may remain.[35] Nevertheless, no form of earmarking source or product has buttressed itself beyond the reach of equitable limitation. We see no reason for holding that corporate names should be permitted to do so. The considerations dictating the limitations applied in protecting them appear, on the whole, to be related as intimately and extensively to fair play in business as those relating to trade-marks and trade-names. If they are effective to confine the limits of "property" to reasonable use and benefit in the one class of cases,[36] they should be also in the other. Although "property" may be admitted to exist, whether in a trade-mark, a trade-name or a corporate name, that is true, broadly speaking, whenever economic interests are protected by legal process, but only to the extent that they are so protected.

[33] *Cf.* Nims, *op. cit. supra* note 5, p. 171; Note (1930) 30 Col. L. Rev. 695 n. 6.

[34] Handler & Pickett, *op. cit. supra* note 6 [summarizing existing differences at pages 168-169; see also note 30 *supra*, and John B. Stetson Co. v. Stephen L. Stetson Co., Ltd., 2 Cir., 1936, 85 F. (2d) 586, 588 (26 T.-M. Rep. 527]; Hanover Star Milling Co. v. Metcalf, 1916, 240 U. S. 403, 413, 36 S. Ct. 357, 60 L. Ed. 713 [6 T.-M. Rep. 149]; Beech-Nut Packing Co. v. P. Lorillard Co., 1927, 273 U. S. 629, 47 S. Ct. 481, 71 L. Ed. 810 [17 T.-M. Rep. 159], involving both plaintiff's trade-mark and its corporate name; American Steel Foundries v. Robertson, 1926, 269 U. S. 372, 46 S. Ct. 160, 70 L. Ed. 317 [16 T.-M. Rep. 51].

[35] *Cf.* note 32, *supra.*

[36] *Cf.* Nims, *op. cit. supra* note 5, § 68; Note (1930) 30 Col. L. Rev. 695, 696.

The question remains whether, on principles of unfair trade, defendant's use of its name in the District should be enjoined at plaintiff's suit. Generally the prior appropriator may enjoin use of an identical name by a subsequent arrival.[37] Normally the latter seeks an unfair advantage, a "free ride" on another's established good-will; he is subjectively guilty and objectively deceptive. Usually his only purpose is to create confusion as to source, and benefit by it. Ordinarily any other name would serve as well, except to deceive. In such circumstances little evidence of injury, actual or probable, is needed—the mere identity makes it practically inevitable. From this fact comes the idea that a conclusive presumption of unfairness and injury exists. On such facts the presumption should be conclusive. Fair trade protection requires it.

But the presumption is founded on duplication of a name which is the core of another's good-will.[38] In the absence of such good-will or its attachment to the name, all reason for the presumption and the consequent exclusion falls. If there is no good-will or reasonable prospect for it, relief is denied.[39] If either exists, but not in connection with the name simulated, the same result should follow.[40] Had plaintiff, therefore, built and maintained its good-will

[37] *Cf.* notes 16 and 18, *supra.*

[38] The term includes, in recent usage, the elements referred to in note 5, *supra*, and in case of incorporation, as in registration of trade-marks, reasonable opportunity initially to make use of the name in trade.

[39] This, together with the deception which is foisted on the public, underlies the rule that abandonment occurs when a trade-mark is sold separately from the business. Rice-Stix Dry Goods Co. v. Schwarzenbach-Huber Co., 1918, 47 App. D. C. 249 [8 T.-M. Rep. 111]; Rockowitz Corset & Brassiere Corp. v. Madam X Co., Inc., 1928, 248 N. Y. 272, 162 N. E. 76 [18 T.-M. Rep. 450]; *cf.* note 47, *infra.* The principle has been applied to a corporate name, where the corporation has not been dissolved technically, but no longer exists for purposes of trade, and therefore has no good-will. Grand Rapids Trust Co. v. Haney School Furniture Co., 1922, 221 Mich. 487, 191 N. W. 196, 27 A. L. R. 1020. But *cf.* Armington v. Palmer, 1898, 21 R. I. 109, 42 A. 308, 43 L. R. A. 95, 79 Am. St. Rep. 786; Metropolitan T. & T. Co. v. Metropolitan T. & T. Co., 1913, 156 App. Div. 577, 141 N. Y. S. 598 [3 T.-M. Rep. 221]; United States Ozone Co. v. United States Ozone Co. of America, 7 Cir., 1932, 62 F. [2d] 881 [20 T.-M. Rep. 557]; Gold Seal Associates, Inc. v. Gold Seal Associates, Inc., D. C. S. D. N. Y. 1932, 56 F. [2d] 452, in all of which substantial reasons for giving relief remained, though normal business had been suspended.

[40] If the corporate names are similar, but those used in trade dissimilar, as when defendant has added distinguishing matter to its name in public

exclusively or distinctively about its present corporate name, authority would support the existence of the asserted presumptions and entitle it to relief, despite the hardship on defendant and its freedom, subjectively, from deceptive intention.[41] But plaintiff has not done so. For purposes of trade as distinguished from internal functions, principally distribution of earnings, it has submerged its identity, its good-will and the distinctiveness of its corporate name in those of the combination in which, since 1922, it has lived, moved and had its being. Plaintiff would have us regard the situation as if there were three distinct enterprises, with corresponding separate good-wills and corporate names. The fact is to the contrary. There are one enterprise and one good-will. Corresponding to them is an identification of the corporate owners which amounts to merger in the public mind, if not in the technical law of corporate entities. Both by the terms of the working agreement and by its subjection to domination of the holding corporation, plaintiff is bound to do business, not separately and distinctively, but always in conjunction with its corporate associates.[42] Plaintiff and its associates have exchanged sole ownership of separate enterprises and corresponding individual good-wills and identifications for undivided shares in a single business, good-will and reputation. It is that consolidated good-will, reputation and public identification which are entitled to protection from confusion by the operations of others.

use, relief will be denied. Investor Pub. Co. of Mass. v. Dobinson, C. C. S. D. Cal. 1897, 82 Fed. 56; Chickering v. Chickering & Sons, 7 Cir., 1914, 215 Fed. 490 [4 T.-M. Rep. 279]; Farmers' Loan & Trust Co. v. Farmers' Loan & Trust Co. of Kansas, Sup. Ct. 1888, 21 Abb. N. C. 104, 1 N. Y. S. 44. *Cf.* also International Trust Co. v. International Loan & Trust Co., 1891, 153 Mass. 271, 26 N. E. 693 (1932); 20 Calif. L. Rev. 633, 636 n. 20, and 638 n. 33.

[41] *Cf.* notes 6, *supra*, and 50, *infra*. It does not follow necessarily that the relief should not take the form of a qualified injunction.

[42] The arrangement is no mere temporary "joint adventure" or casual cooperation in particular transactions incident to distinct and continuous courses of business conducted by each participant. It is a permanent and continuing relation, more solidly integrated than any partnership of natural persons, who may dissolve the firm at will despite contrary agreement, Lapenta v. Lettieri, 1899, 72 Conn. 377, 44 A. 730, 77 Am. St. Rep. 315; Solomon v. Hollander, 1884, 55 Mich. 256, 21 N. W. 336, responding in damages if this is done wrongfully. Plaintiff and its associates are disabled to do this by reason of the holding company's power over them.

It is not material that the remaining enterprise, with its good-will and public identification, is owned by three corporations; or that the corporate owners retain separate identities to receive shares in the profits and distribute them among their shareholders; or that each retains its distinctive name for the nominative purposes of corporate existence and internal management. Basically this is no more than any partner or joint adventurer does. Nor does it matter that plaintiff's name remains in use as one of three in a combination of names in which the surviving enterprise conducts its business. If plaintiff's name were the sole one so employed, or perhaps the predominant or principal one used, fair trade principles might afford relief.[43] But the business is not known distinctively to the public by plaintiff's name. It occupies only a secondary position in the commonly accepted conglomerate. The dominant name[44] is that of the District Title Insurance Company. Such variation as occurs naturally emphasizes this name and correspondingly minimizes plaintiff's. Though none were dominant, the combination would not be identical with, or, in the circumstances here, confusingly similar to any one of its components separately used. By analogy to a partnership of natural persons, a firm name composed of those of the partners, as "Smith, Jones, Brown & Co.," is not identical with the individual name of the partner, Jones. The good-will, the business reputation and the identification of the firm are distinct from those of the individual member.[45] So here the conglomerate uniformly designates and identifies plaintiff, not separately or inde-

[43] *Cf.* note 44, *infra*. The question would remain whether it could be had at the suit of plaintiff only or solely by joinder of all the owners of the business.

[44] *Cf.* Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, 10 Cir., 1932, 56 F. [2d] 973, 979-980 [22 T.-M. Rep. 363] ("The dominant words in both names are 'Standard Oil.' Such words have acquired a secondary meaning"); Romeike v. Romeike, D. C. S. D. N. Y. 1917 [7 T.-M. Rep. 360,363], reversed, 2 Cir., 1918, 251 Fed. 273, and comment Nims, *op. cit. supra* note 5, p. 255.

[45] Unless, of course, his name is used as the name of the firm. That the name of a firm is an incident of its good-will is, of course, well established. Snyder Mfg. Co. v. Snyder, 1896, 54 Ohio St. 86, 43 N. E. 325, 31 L. R. A. 657; Slater v. Slater, 1903, 175 N. Y. 143, 67 N. E. 224, 61 L. R. A. 796, 96 Am. St. Rep. 605; Nims, *op. cit. supra* note 5, § 32.

pendently, but always in conjunction with others.[46] Exclusive right arises only from distinctive use. Whatever plaintiff's rights might have been had it established or maintained distinctive identification in its separate name for purposes of trade, it has not done so, and to confuse such an identification with one such as has been created here is to confuse a part with the whole. The established identification, in none of its forms, is identical with defendant's name. Between the two the probability of confusion is remote. Plaintiff has abandoned the right of exclusive use of its name by conducting its business in this manner.[47]

The probability of confusion is reduced further by the experienced and discriminating character of the clientele to which defend-

[46] *Cf.* (1932) 20 Calif. L. Rev. 633, 636 n. 20. The conglomeration adds matter to plaintiff's name as distinctive as that generally supplied when injunctive relief takes the form of requiring the addition of such matter to a defendant's name. That it is plaintiff's, rather than defendant's, name which is thus made distinguishable should not be material.

[47] Possibly more of the formalistic conception of "property" remains as to abandonment than in other respects. Note (1930) 30 Col. L. Rev. 695, 697. The requirement of "intent" in addition to nonuser rests on this basis, except when nonuser represents merely a lull in operations, a period of reorganization of the business, or one in which "associative significance" remains which would make assumption by another a fraud on the public. *Id.* and authorities cited and discussed. As to trade-names and trade-marks, the intent may be inferred from lapse of time without user, Gold Seal Associates, Inc. v. Gold Seal Associates, Inc., D. C. S. D. N. Y. 1932, 56 F. [2d] 452, 453; Royal Baking Powder Co. v. Raymond, C. C. N. D. Ill. 1895, 70 Fed. 376, 381, or by acquiescence, sufficiently long, with user, Beech-Nut Packing Co. v. P. Lorillard Co., 1927, 273 U. S. 629, 47 S. Ct. 481, 71 L. Ed. 810 [17 T.-M. Rep. 159].

In abandonment of trade-names and trade-marks, ordinarily there is loss not only of the right to exclude others, but also of the prior appropriator's right to use the name in trade. But *cf.* Note (1930) 30 Col. L. Rev. 695, 702, as to loss merely of *exclusiveness* of use in cases of laches, acquiescence and unclean hands. Authority concerning abandonment of corporate names in the former sense is scarce, if not nonexistent. Generally laches and acquiescence in use by others are not effective defenses (*cf.* 66 A. L. R. 948, 1037-1029). But corporate names were involved in the Gold Seal Associates and Beech-Nut cases, *supra*, with no reference to any distinction between them and trade-marks and trade-names in this respect. In the former, neither loss of associative significance nor of final opportunity to resuscitate the enterprise had occurred, hence no abandonment was found; in the latter, laches, acquiescence, etc., resulted in a ruling of abandonment of exclusive use. Whether or not the corporate grant preserves to the company the right to use its name nonexclusively for the term of corporate existence, sound reasons do not appear for distinguishing corporate

ant and the plaintiff's combination appeal,[48] and by the care defendant has taken to add distinguishing matter to its name in publicity and solicitation. Occasional misunderstanding may occur despite these precautions. But there is nothing to show probability of more than that, and in itself that does not justify the drastic relief here sought.[49] The advantage to plaintiff, except to exclude a competitor, which it is not entitled to do, would be slight; the detriment to de-

names from trade-names and trade-marks as to the effect of abandonment upon the exclusive function. Incorporation is no more solemn an act of appropriation or preemption than trade-mark registration. There are sound reasons for limiting the *exclusive* appropriation by incorporation (*cf.* Commr. Pat. 1916, quoted in note 53, *infra*), just as there are for doing so as to trade-marks.

In this case, strictly, abandonment is not involved. *Cf.* note 2, *supra.* But, assuming the change of name in 1922 made no substantial difference, seventeen years' nondistinctive use should be sufficient to constitute abandonment of the right to exclusive use. No issue of resumption of distinctive use by the plaintiff is presented, and no decision regarding it is made. See, further, as to abandonment, Interstate Distilleries, Inc. v. Sherwood Distilling & Distributing Co., 1937, 173 Md. 173, 195 A. 387 (1938), 22 Minn. L. Rev. 750; Mayer F. & J. Co. v. Virginia-Carolina C. Co., 1910, 35 App. D. C. 425; Levering Coffee Co. v. Merchants Coffee Co., 1912, 39 App. D. C. 151 [2 T.-M. Rep. 420].

[48] Eastern Const. Co. v. Eastern Engineering Corp., 1927, 246 N. Y. 459, 159 N. E. 397, 399 [18 T.-M. Rep. 122]; Federal Securities Co. v. Federal Securities Corp., 1929, 129 Or. 375, 276 P. 1100, 1107, 1108, 66 A. L. R. 934; Diamond Drill Contracting Co. v. International Diamond Drill Contracting Co., 1919, 106 Wash. 72, 179 P. 120, 6 Fletcher Cyc. Corp. (Perm. Ed.) 57 , notes 4 and 5; 66 A. L. R. 948, 962 [9 T.-M. Rep. 205], and authorities cited. In Bayer Co., Inc. v. United Drug Co., D. C. S. D. N. Y. 1921, 272 Fed. 505 [11 T.-M. Rep. 178], the decree provided different terms for sales to one market which was discriminating and to another which was not so. The relaxation of ordinarily applicable rules in cases involving banks and trust companies [*cf.* 6 Fletcher, *supra,* 57 notes 6 and 7; 66 A. L. R. 976 and 981 *et seq.* (*loc. cit.*)] appears to be founded upon the discriminating clientele theory.

[49] 6 Fletcher Cyc. Corp. (Perm. Ed.) 60-61, notes 16 and 17. Mistaken delivery of mail, 66 A. L. R. 948, 972, and authorities cited, is not sufficient. Nor is mere possibility of confusion. Federal Securities Co. v. Federal Securities Corp., 1929, 129 Or. 375, 276 P. 1100, 1103, 66 A. L. R. 934. Generally, the confusion must be such as to mislead the average trader, acting with ordinary caution, Middletown Trust Co. v. Middletown Nat. Bank, 1929, 110 Conn. 13, 147 A. 22; 66 A. L. R. 948, 971 [20 T.-M. Rep. 519] and authorities discussed; *cf.* (1932) 20 Calif. L. Rev. 633, 634 n. 9; but some cases protect trade with thoughtless purchasers. 6 Fletcher, *supra,* 54 n. 95; Patton Paint Co. v. Orr's Zinc White, Ltd., 1918, 48 App. D. C. 221 (trade-mark) [9 T.-M. Rep. 74]. But *cf.* 6 Fletcher, *supra* 54 notes 96 and 97; The Unwary Purchaser (1910), 8 Mich. L. Rev. 613 (1919), 18 *id.* 75.

fendant great.[50] Further distinguishing identification is not asked, nor does it appear to be necessary at this time.

A further reason for denying relief is that, if granted, it would restrain defendant, in effect, from competing in its name not only with plaintiff, but also with each of plaintiff's corporate associates, neither of which has any semblance of right to such protection otherwise than by virtue of its association with plaintiff. The injunction would accomplish too much. The incorporation laws were not intended to permit a single enterprise by mere incorporation to preempt three, if not four, distinct corporate names.[51] Nor is it the function of a court of equity to employ its remedies to enable such an enterprise to use each of its available names as a sword for conquering territory of competitors, and as a shield to protect its own from invasion. To do so would extend the boundaries of unfair trade beyond borders hertofore established or presently desirable.

We have made no point of the fact that plaintiff's name appears to be composed of generic words,[52] which could not be registered as a trade-mark and which considerable authority indicates cannot be appropriated exclusively by incorporation.[53] Nor do we think it

[50] *Cf.* Federal Securities Co. v. Federal Securities Corp., 1929, 129 Or. 375, 276 P. 1100, 1102, 66 A. L. R. 934.

[51] To the extent that the names may be established by distinctive and separate usage in trade, the rule relating to popular, shortened or nicknames [*cf.* 66 A. L. R. 948, 973; Pickett, *Nicknames and Unfair Competition* (1935), 35 Col. L. Rev. 33] would appear to be applicable; but such usage is a different thing from the conglomerate use which has arisen here.

[52] *Cf.* Title & Mortgage Guarantee Co. v. Louisiana Abstract & Title Guarantee Co., 1918, 143 La. 894, 79 So. 529, holding "Title Guarantee" generic.

[53] The authorities are divided, the weight of authority appearing to sustain the view that such terms are not subject to exclusive appropriation by incorporation. See the authorities collected in 66 A. L. R. 948, 957 *et seq.*; 6 Fletcher Cyc. Corp. (Perm. Ed.) § 2427 (1932); 20 Calif. L. Rev. 633, 635 n. 11. An apparent exception is the case in which the words have acquired "secondary significance," as in Standard Oil Co. of New Mexico, Inc. v. Standard Oil Co. of California, *supra;* Hudson Tire Co., Inc. v. Hudson Tire & Rubber Corp., D. C. S. D. N. Y. 1921, 276 Fed. 59, 60 [11 T.M. Rep. 284]; *cf.* Nims, *op. cit. supra* note 5, p. 251; also § 42; but the exception obviously has its foundation in the law of unfair trade.

The evidence in this case shows that the words "Lawyers Title" or "Lawyers Title Insurance" appears as parts of corporate names in numerous localities as widely separated as New York City and Seattle, Washington. *Cf.* American Steel Foundries v. Robertson, 1926, *supra, in re* "Simplex,"

material that defendant is a foreign corporation competing with domestic ones, since the District of Columbia has no statute placing the former on a peculiar basis and we deem the case to be governed by conceptions of unfair trade, which make no distinction in this respect between domestic and foreign companies.[54]

Plaintiff's disability, if peculiar, is the result of its own peculiar action. It has had the benefit of the "working agreement." Likewise, it must accept the burdens incident to it.

Affirmed.

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SCOVILL MFG. COMPANY v. UNITED STATES ELECTRIC MFG. CORP.
(31 F. S. 115)

*United States District Court, Southern District of New York*

*January 24, 1940*

TRADE-MARKS—INFRINGEMENT—"STREAMLITE" ON FLASHLIGHTS—NON-DESCRIPTIVE TERM.

The word "Streamlite," used as a trade-mark on flashlights, *held* non-descriptive and fanciful.

TRADE-MARKS—OWNERSHIP—"STREAMLITE"—LICENSEE AS SOLE USER—STATUS OF OWNER.

Where plaintiff, owner of the word "Streamlite" used as a trade-mark on flashlights, gave another an exclusive license to use the said word as a trade-mark, which plaintiff itself had never used, plaintiff *held* not to have any *locus standi* to maintain a suit for infringement of the said mark.

TRADE-MARKS—"ZEPHYRLITE" ON FLASHLIGHTS—NON-DESCRIPTIVE TERM—INFRINGEMENT BY "ZEP-O-LITE."

The word "Zephyrlite" *held* a valid trade-mark for flashlights, and infringed by defendant's use of the word "Zep-O-Lite" on similar goods.

TRADE-MARK INFRINGEMENT SUITS—CESSATION OF USE OF INFRINGING MARK.

Where defendant long ago discontinued the use of its "Zep-O-Lite" trade-mark, and there was no threat to resume same, no injunction was granted.

TRADE-MARKS—INFRINGEMENT—SUITS—ACCOUNTING.

In the case at issue, an accounting was ordered with respect to infringement of the trade-mark "Zephyrlite."

quoting the Commissioner of Patents (Commr. Pat. 1916, pp. 74, 77, 79, 82-83): "It would be a serious matter if the law actually permitted any one who chose to do so to organize a series of corporations with names containing these words, respectively, and thereupon virtually withdraw these words from public use as trade-marks and monopolize them by preventing their registry as such."

[54] *Cf.* authorities cited and discussed in 66 A. L. R. 948, 1004-1013.

UNFAIR COMPETITION—USE OF ARTICLE WITH DESIGN PATENT—VALIDITY. Where plaintiff's alleged design patent was held invalid, defendant *held* free to make "Streamlite" flashlights like plaintiffs. Plaintiff, moreover, *held* not entitled to relief on the ground of unfair competition.

In equity. Action for alleged trade-mark infringement and unfair competition. Decree in accordance with opinion.

*Frederic P. Warfield*, of New York City, and *Francis T. Reeves*, of Waterbury, Conn., of counsel, for plaintiff.

*Morris Kirschstein*, of New York City, for defendant.

WOOLSEY, D. J.: My judgment in this case, for the reasons hereinafter stated, is:

1. That the single claim of each of the three design patents, namely, Tompkins No. 99,316, No. 99,336 and No. 191,800, and Claims Nos, 1, 5, 6, 9, 11, 13 and 14 of the mechanical patent, Tompkins No. 2,097,222, are invalid for lack of invention.[1]

2. That the plaintiff has not any *locus standi* to claim infringement of the trade-mark "Streamlite," No. 344,408.

3. That the defendant was guilty of infringement of the trade-mark "Zephyrlite," No. 342,367, and plaintiff is entitled to the relief hereinafter prescribed in respect of such an infringement.

4. That there is not any basis for the plaintiff's claim of unfair competition.

5. There will not be any costs or disbursements allowed to either party except such costs and disbursements as may be involved in the reference hereinafter ordered in respect of the trade-mark "Zephyrlite."

I. This suit involves a controversy between a Connecticut corporation and a New York corporation concerning patents and trade-marks and includes a count for unfair competition.

My subject matter jurisdiction is based in part on the fact that this is a cause arising under the Patent Law and the Trade-Mark Law, *cf.* Title 28 United States Code, Section 41(7), 28 U. S. C. A. § 41(7), and in part on diversity of citizenship in a controversy in-

[1] *Note.*—That part of the opinion relating to patents is here omitted.—ED.

volving more than the required statutory amount or value. Title 28 United States Code, Section 41(1), 28 U. S. C. A. § 41(1).

There is not any question of venue.

There is not any question involved as to the plaintiff's *locus standi* to maintain this suit except for the reasons hereinafter given in respect of the registered trade-mark "Streamlite."

II. This suit—in its patent aspect—is founded on certain claims of four unadjudicated patents, namely, the single claim of each of the following Tompkins design patents, No. 99,316, No. 99,336 and No. 101,800; and on Claims Nos. 1, 5, 6, 9, 11, 13 and 14 of the Tompkins mechanical patent No. 2,097,222.

It also contains counts for infringement of two registered trade-marks "Zephyrlite," No. 342,367, and "Streamlite," No. 344,408, and a count for unfair competition.

III. For the sake of convenience I give a schedule of the dates of application and issue of each of these patents and trade-marks.

| *Patents* | | *Filed* | *Issued* |
|---|---|---|---|
| Tompkins Des. | 99,316 | Feb. 28, 1936 | April 14, 1936 |
| Tompkins Des. | 99,336 | Feb. 28, 1936 | April 14, 1936 |
| Tompkins Des. | 101,800 | Feb. 28, 1936 | Nov. 3, 1936 |
| Tompkins No. | 2,097,222 | May 2, 1936 | Oct. 26, 1937 |
| *Trade-marks* | | | |
| "Streamlite" T.-M. | 344,408 | June 23, 1936 | March 23, 1937 |
| "Zephyrlite" T.-M. | 342,367 | Sept. 12, 1936 | Jan. 12, 1937 |

* * *

X. In respect of the trade-mark "Streamlite," there are several questions herein involved.

The first question is whether the word "Streamlite" is merely a descriptive word as applied to flashlights or whether it is sufficiently fanciful or arbitrary to be properly registered as a trade-mark therefor.

I rule that, although the question is perhaps close, "Streamlite" is a sufficiently fanciful and arbitrary word to be a good trade-mark for a flashlight.

Of course, there is no question but that the defendant's infringing mark "Stream-o-lite" would infringe "Streamlite" if the plaintiff

is in the position to maintain suit as registered owner of the trade-mark "Streamlite" under the circumstances here shown.

It is common ground that the plaintiff allowed Sears, Roebuck & Company, to whom it sold its so-called "streamlined" flashlights, to use exclusively the word "Streamlite" in connection with Sears, Roebuck & Company's own trade-mark "Lightmaster."

It is also common ground that the word "Streamlite" was never used by the plaintiff as a mark for any goods which it sold at retail.

Consequently, we have a case where the plaintiff in order to make sales to a mailorder house—Sears, Roebuck & Company—turned over to them its trade-mark "Streamlite," and, in effect, farmed it out to Sears, Roebuck & Company for the latter's use as a part of the goods which it was selling to them.

As Judge A. N. Hand said in *Industrial Rayon Corporation* v. *Dutchess Underwear Corporation,* 2 Cir., 92 F. (2d) 33, at page 35 (Italics mine):

> The question in each case is not whether the mark has been registered, or even whether it has at one time been used by the person seeking protection, but whether, as applied to a particular line of goods, it signifies the source. . . . . In each the critical question is whether, *under existing conditions,* the mark signifies that the party claiming protection is the source of the merchandise.

In the instant cause I do not think, in view of the fact that Sears, Roebuck & Company only have used the trade-mark "Streamlite," that the plaintiff has now any *locus standi* to maintain this suit in respect thereof.

But the plaintiff makes a further contention, namely, that Mr. Hyman, who was president of the defendant and who in fact was the defendant, because it was a one-man company, knew, as I find, that the trade-mark "Streamlite" was the plaintiff's mark and that, consequently, the defendant is liable in this suit for the use of the obviously infringing trade-mark of "Stream-o-lite."

I do not agree.

It is perfectly clear, of course, that the plaintiff's trade-mark "Streamlite" would not be good as against the public because Sears, Roebuck & Company was the exclusive user thereof. But even as

against the defendant, to whom Hyman's knowledge is imputable, the plaintiff has at most what I might perhaps express as an *injuria absque damno et absque aequitate.*

XI. "Zephyrlite," the other trade-mark involved herein, is concededly a good trade-mark for flashlights, and was certainly infringed by the defendant's sale of flashlights marked "Zep-o-lite" and in the circulars issued by defendant and used by it, as I find, with Mr. Hyman's knowledge notably at an Automotive Accessory Show in Chicago on February 13-17, 1937.

The question here is what relief I should grant to the plaintiff.

The defendant's attorney says in his brief that he will consent to an injunction against the defendant. But the defendant has long ago discontinued the use of its "Zep-o-lite" trade-mark, and now uses "Rocketlite," and as there is no threat to resume the use of "Zep-o-lite," I do not think that I should grant an injunction.

However, in view of the new Rules of Civil Procedure for the District Courts, I do not think that, even if I cannot grant an injunction under the circumstances herein shown, I am precluded from granting an accounting in respect of any damages caused to the plaintiff from the defendant's infringement of the trade-mark "Zephyrlite," or any profits made by the defendant therefrom.

The only suggestion made by the defendant's counsel is that, owing to cases such as *Root* v. *Railway Co.,* 105 U. S. 189, 215, 26 L. Ed. 975; *Mitchell* v. *Dowell,* 105 U. S. 430, 432, 26 L. Ed. 1142, and many cases which have followed them, if I have no ground for giving an injunction, my jurisdiction for granting an accounting and damages must fail, and that I must dismiss the count in respect of the "Zephyrlite" trade-mark without prejudice, and thus open up the vista of a new trial of this already thoroughly tried issue.

Certainly, this is not wise judicial administration, for, as I have oftentimes had occasion to observe, when it is jurisdictionally possible a court should not allow two causes to spring up where at first there was but one.

The question, therefore, is whether, having exhausted the possibility of an equitable remedy, it is jurisdictionally possible, with the

new Rules in force, for me to avoid dismissing the claim in respect of "Zephyrlite" without prejudice.

I think it is, for the following reasons:

The new Rules of Civil Procedure provide, in Rule 86 that they shall govern not only all proceedings in actions brought after they take effect, but also (italics mine) "all *further proceedings,* in actions then pending, except to the extent that in the opinion of the court their application in a particular action pending when the rules take effect *would not be feasible or would work injustice,* in which event the former procedure applies."

The new Rules, by Rule 2, have abolished the several forms of action and substituted therefor only "one form of action to be known as 'civil action.'"

Rule 38 provides in respect of the right to trial by jury as follows (italics mine):

> (a) Right Preserved. The right of trial by jury as declared by the Seventh Amendment to the Constitution or as given by a statute of the United States shall be preserved to the parties inviolate.
>
> (b) Demand. Any party may demand a trial by jury of any issue *triable of right by a jury* by serving upon the other parties a *demand* therefor in writing at any time after the commencement of the action and not later than ten days after the service of the last pleading directed to such issue. Such demand may be indorsed upon a pleading of the party.

The present cause was commenced and the answer—the last pleading herein—was filed before the new Rules took effect, and, therefore, the defendant could not have availed itself of Rule 38 from which I have just quoted.

But this suit was originally brought in equity—a category of causes abolished by the new Rules—and an accounting for damages and profits is prayed—after the new Rules have become effective—as an incidental remedy in a "civil action."

It seems to me, therefore, that in view of Rule 86, it would be sticking in the bark to say that in civil action this Court must, because it cannot grant an injunction, lose jurisdiction to grant an accounting for damages and profits merely for the reason that this cause had been at issue before the new Rules of Civil Procedure went into effect and had been tried upwards of one year thereafter.

Under these circumstances, it seems to me that to give a reference for an accounting for profits and damages would not only be feasible, but would not work injustice to the defendant and, therefore, would be within the letter of Rule 86, and, if not perhaps within the letter of Rule 38, at least within its spirit. For it is an assumption contrary to fact that, if this cause is precisely this form had been brought *after* the Rules of Civil Procedure went into effect, there would have been any claim by the defendant for a jury trial of such minor residual issues therein as an accounting in respect of a trade-mark infringement.

I think, therefore, that in respect of the trade-mark "Zephyrlite" there should be a reference for an accounting for such damages as defendant may have caused to the plaintiff by the infringement thereof, and such profits as the defendant may have made by such infringement.

XII. The court in unfair competition is not maintainable for the following reasons:

I have held design patent No. 99,316 invalid for want of invention and the defendant is thus set free from the monopoly thereof and may make "streamline" flashlights like the plaintiff's. *Cf. Kellogg Co.* v. *National Biscuit Company*, 305 U. S. 111, 120, 59 S. Ct. 109, 83 L. Ed. 73 [28 T.-M. Rep. 569].

Due to the sale by Sears, Roebuck & Company of "Streamlined" flashlights purchased from the plaintiff without any reference whatever thereon to the plaintiff, there is not any ground for holding that "streamlined" flashlights are in any way exclusively associated with the plaintiff or are known as its goods—indeed, such an assumption is wholly negatived by plaintiff's own case.

I find, therefore, that there is not any relief on the ground of unfair competition to which the plaintiff is entitled. It must, accordingly, be confined to the relief which I have already given it in respect of the "Zephyrlite" trade-mark.

XIII. Hyman, who is president and in control of the defendant company, did not make a good impression on me. I have decided most of the issues herein for the defendant on principles of law only.

In respect of the question of prior invention, the only real question of fact involved, I have ruled against the defendant because I was not satisfied with the evidence adduced by it from Hyman and others.

Consequently, although the defendant has prevailed on all the counts in this case save one, I shall not allow to it any part of its costs or disbursements.

The plaintiff, however, may have any taxable disbursements to which it may be put, if it decides to go into the accounting before the master for whose appointment I hereinafter provide.

XIV. The attorney for the defendant must prepare, in accordance with this opinion, and submit to me through the Clerk's office, findings of ultimate facts and conclusions of law as herein indicated, in pursuance of the requirements of Rule 52(a) of the Rules of Civil Procedure.

I do not want any details of evidence submitted as findings of ultimate facts. But, as above indicated, there should be findings of fact additional to those herein mentioned in order that a full record of the situation now facing the plaintiff may be made and the juridical result of this carefully tried cause preserved.

All proposed findings of fact and conclusions of law submitted to me must be *typed in triple spacing* so that I may conveniently correct them if I wish to do so.

The attorney for the defendant must give ten days' notice of the submission of his proposed findings of fact and conclusions of law to the attorney for the plaintiff.

In submitting his findings of fact, the attorney for the defendant must also submit under a *separate cover bound at the left side* a short memorandum indicating the pages of the evidence on which each finding proposed by him is based. It is not a very difficult matter to prepare such a memorandum and thus make it possible for me to look up any question of fact about which I may be in doubt. All that is necessary in the memorandum is to give the number of the finding, and to follow it with the number or numbers of the supporting pages or exhibits in the record of the trial.

The attorney for the plaintiff, if he is so advised, may on the return day of such notice of submission of findings of fact and conclusions of law by the defendant's attorney, serve on the defendant's attorney and submit to me criticisms of the findings of fact proposed by him.

As under Rule 52(a) only findings of fact and conclusions of fact and conclusions of law which I sign will be filed as part of the record herein, I suggest this course for the plaintiff attorney because counter findings will not avail him in any respect. He must take his objections, if any, to my findings of fact and conclusions of law by way of appropriate assignments of error on any appeal which he may take.

XV. After the findings of fact and conclusions of law have been signed by me, the defendant's attorney must submit a judgment dismissing all the claims herein except the claim in respect of the infringement, which I have found, of the "Zephyrlite" trade-mark, and as to that must provide in the judgment that there be a reference to a master for an accounting for such damages as the defendant may have caused to the plaintiff by the infringement of the trade-mark "Zephyrlite," and such profits as the defendant may have made by such infringement. The judgment must also provide that the fees and disbursements of the master on such reference shall be taxable against the defendant.

## SHERWOOD COMPANY, INC., a Body Corporate of the State of Maryland v. SHERWOOD DISTILLING COMPANY, a Body Corporate of the State of Maryland, SHERWOOD DISTILLING COMPANY, a Body Corporate of the State of Delaware, AND LOUIS MANN

## STANDARD DISTILLERS PRODUCTS, INC., a Corporation, JOHN H. BENJES AND RICHARD P. BENJES, trading as Benjes Brothers, CHARLES HAIM AND IRVING HAIM v. THE SHERWOOD DISTILLING COMPANY, a Corporation

*Maryland Court of Appeals*

*December 27, 1939*

TRADE-MARKS—ABANDONMENT.

Non-user, in the absence of intention to abandon, does not destroy the trade-mark right, unless the mark itself has ceased to be distinctive or has become identified with other goods.

TRADE-MARKS—ACQUIESCENCE.

The acquiescence of an original proprietor of a trade-mark in its use by another is evidence of abandonment. In such case, he cannot cause others who have acted upon the strength of his silence and inaction to lose the results of their work and the money they have expended.

TRADE-MARKS—TITLE—APPROPRIATION AFTER ABANDONMENT.

Non-user of a trade-mark by the original owner, together with an expansive use of it by anyone else, constitutes abandonment and confers upon the appropriator the exclusive right thereto.

TRADE-MARKS—INFRINGEMENT—SUITS—DEFENSE OF "UNCLEAN HANDS."

When there has been a question of the propriety of an applicant in the past, but he has corrected any alleged mistake and complied with the court's requests, his impropriety should be considered as closed and not to debar him from relief.

TRADE-MARKS—"SHERWOOD" ON WHISKEY—EFFECT OF ABANDONMENT.

The Sherwood Distilling Co. beginning the distillation of whiskey at Cockeysville, Md., in 1868 and incorporated under the laws of Maryland in 1882, began in 1890 to use the trade-mark "Sherwood" on its whiskey. In 1917, distillation was stopped by federal order and in 1921 after prohibition became effective, said corporation sold its interest to one Haim, who in 1924 sold all his rights and interest in the business to Lewis Mann, such rights including the right to use the name and trade-marks. Mann subsequently formed under the laws of Delaware, a new corporation, The Sherwood Distilling & Distributing Companies, which used the "Sherwood" trade-mark. *Held* that the Sherwood Distilling Co. abandoned its "Sherwood" trade-mark, and that the Delaware corporation accordingly had a right to appropriate and use it on its whiskey.

In equity. Actions for alleged infringement of trade-mark. Appeal from decisions of the Maryland Court of Appeals, 10 T.-M. Rep. 458, dismissing the complaints. Affirmed.

Before BOND, C. J., and OFFUTT, PARKE, SLOAN, MITCHELL, SHEHAN, JOHNSON and DELAPLAINE, JJ.

DELAPLAINE, J.: The problem in these cases is to determine the owner of the trade-name and the trade-marks of "Sherwood Whiskey." The question has appeared in this Court before, but it was not finally decided. *Interstate Distilleries* v. *Sherwood Distilling & Distributing Co.*, 173 Md. 173, 195 A. 387 [28 T.-M. Rep. 43].

The Sherwood Distilling Company, which commenced the distillation of whiskey at Cockeysville in 1868, was incorporated under the laws of Maryland in 1882. It began the use of trade-marks in 1890 and registered them in the Patent Office in 1913.

In 1917 the Federal Government ordered redistillation stopped as a war measure. In 1920 Prohibition took effect. In 1921, when it was illegal to sell whiskey except for medicinal purposes, the controlling interest in the corporation was purchased by Irving Haim, and in 1923 the remaining interest was acquired by him.

In 1923 the Government ordered the corporation to remove its entire stock of whiskey to the Concentration Warehouse in Baltimore. In 1924, on account of the loss of revenue from storage, Haim resigned as treasurer and general manager and made plans to sell the remaining supply of whiskey and to leave the State. Harry B. Wolf, acting for Haim and his associates, found a purchaser, Louis Mann. On June 28, 1924, the corporation, through Nathan Curson, president, sold the whiskey to Mann for $150,000. Mann received the right to use the name and trade-marks which had been used on the whiskey. It was planned to place the stock certificates in escrow for a period of not more than five years to facilitate the marketing of the whiskey; but the plan was abandoned. The surviving escrow testified that he had never received any stock certificates.

Following the appointment of receivers for the corporation, its plant at Cockeysville was dismantled, its land was sold, and its charter was subsequently forfeited for non-payment of taxes. Mann had formed a new corporation, the Sherwood Distilling and Distributing Company, for the purpose of continuing his sales. This corporation maintained an office in Baltimore City, sold under the "Sherwood" name and marks, and after the old corporation had become defunct, applied for registration of the trade-marks. Mann claimed the right to use the trade-marks by virtue of his purchase of the remaining supply of whiskey from the old corporation; and in 1923, the Patent Office, finding no objection to renewal of the trade-marks, registered them in the name of the Sherwood Distilling and Distributing Company.

At repeal of Prohibition in 1933, Haim conferred with Harry B. Wolf regarding the possibility of reviving the old Sherwood charter. In 1935 articles for revival were submitted to the State Tax Commission; in 1936 amended articles were submitted. But the revival was never consummated.

Mann also formed the Sherwood Distillery Company, Inc., under the laws of Delaware, for the purpose of distilling whiskey to be distributed by his Maryland corporation. For several years after repeal, the Delaware corporation distilled whiskey under an agreement with the Baltimore Pure Rye Distilling Company. But in 1935 the corporation started to build a distillery at Westminster, and in 1936 the distillery was completed at a cost of about $260,000. In 1937 the name of Mann's Maryland corporation was changed to the Sherwood Distilling Company. During the year 1937 proceeds from the sale of whiskey aggregated $650,000.

At common law the rights of owners of trade-marks have been repeatedly recognized, regardless of registration laws. A certificate of registration is not conclusive of the validity of a trade-mark; and the existence or absence of registration does not affect the jurisdiction of the Courts to determine the validity of acts of appropriation. *Bisceglia Bros. Corporation* v. *Fruit Industries,* 20 F. Supp. 564 [29 T.-M. Rep. 177].

The appellants contend that the original Sherwood Distilling Company retained its trade-name and trade-marks. But there is no evidence to sustain this contention. Curson, notwithstanding that he had knowledge of the formation of Mann's corporation, made no protest against the use of "Sherwood" in the corporate name. Haim, in testifying about his desire to sell and to leave the State, asserted:

> Prohibition by that time looked like it was here to stay. The future looked extremely dark and doubtful. . . . I then . . . . turned my accounts and everything over and my books to Mr. Harry B. Wolf . . . . and I forgot my mistake in getting into the whiskey business.

Wolf testified that when the whiskey was bought by Mann, the stockholders abandoned everything. Referring to the abandonment by the stockholders, he said:

> They had abandoned it and did not want it. It was no good. They were glad to get rid of it. It was an elephant and headache. The United States Government required all the distillers to concentrate the whiskey in concentration warehouses, and as soon as that took place they were frantic to get rid of it.

Wolf declared that the stock certificates were "considered of no value to anybody," and the stockholders were "so happy to get rid of them" that he did not know what became of them.

It is well recognized that property is considered as abandoned when the owner walks off and leaves it with no intention of claiming it again or exercising rights of ownership over it; and when this is done, it belongs to anyone who takes possession of it. *Steinbraker* v. *Crouse,* 169 Md. 453, 182 A. 448. So, when the owner of a trade-mark discontinues business and abandons the trade-mark, it is opened to the public and subject to appropriation by any one. When two or more persons use the same trade-mark, the person who first affixes the designation to goods as his trade-mark and so sells them is entitled to its exclusive use. 3 *Restatement of the Law of Torts,* 568. When a person appropriates a trade-mark, although not the legal successor of the firm which had been the original user of it, his right dates from the time of his own use of it. *Deitsch* v. *George R. Gibson Co.,* 155 Fed. 383. The question whether a trade-mark, like other property, has been abandoned depends upon intention. Such intention, however, may be inferred from circum-

stances which point to an intention to abandon. *Nims on Unfair Competition and Trade-Marks,* sec. 408; *Corkran, Hill & Co.* v. *A. H. Kuhlemann Co.,* 136 Md. 525, 111 A. 471 [10 T.-M. Rep. 458].

But nonuser, in the absence of intention to abandon, does not destroy trade-mark rights, unless the trade-mark has ceased to be distinctive or has become identified with other goods. *Corkran, Hill & Co.* v. *A. H. Kuhlemann Co., supra.* So, where suspension of the use of a trade-mark on candy was caused by scarcity of sugar during the war, the Court held that there was no abandonment of the trade-mark, where the manufacturer had not gone out of business, but had retained the seals and had resumed the use of the trade-mark after the war. *Universal Candy Co.* v. *A. G. Morse Co.,* 298 Fed. 847 [14 T.-M. Rep. 232]. Likewise, the disuse of a trade-mark due to a statutory prohibition of the sale of liquor is not in itself an abandonment. *Olympia Brewing Co.* v. *Northwest Brewing Co.,* 178 Wash. 533, 35 P. (2d) 104 [24 T.-M. Rep. 455]; *Bisceglia Bros. Corporation* v. *Fruit Industries, supra.*

But the acquiescence of an original proprietor of a trade-mark in the use of it by another is evidence of an abandonment. If the owner of a trade-mark stands by and allows others to use it under such circumstances that his continued attitude of non-interference may reasonably be inferred, he cannot cause others, who have acted upon the strength of his silence and inaction, to lose the results of their work and the money they have expended. *Nims,* secs. 416, 417. Nonuser of a trade-mark by the original owner, together with an extensive use of it by any one else, constitutes abandonment and confers uopn the appropriator the exclusive right to it. In *Tygert-Allen Fertilizing Co.* v. *J. F. Tygert Co.,* 191 Pa. 336, 43 A. 224, wherein the complainant stood by for two years and a half without making any objection, while the defendant expended large sums of money and built up a business depending upon the use of a trade-name, the Court held that the delay of the first corporation to restrain the use of the trade-name showed such laches and intent to abandon as to defeat an application for an injunction to restrain such

use by the second corporation. The failure of a claimant to assert his rights and his disregard of an extensive use of a trade-mark, while a large and valuable competitive business grows up about it, are proof of an intent to abandon; and where new rights have arisen as a result of such adverse use, it would be inequitable to restrain subsequent users. *Bisceglia Bros. Corporation* v. *Fruit Industries, supra.*

The appellants cited the opinion in the case of the Carthusian Monks, wherein the Supreme Court of the United States held they were entitled to an injunction to prevent the infringement of their trade-marks. For several hundred years the monks had been making a liqueur known as "Chartreuse" at the Monastery of La Grande Chartreuse in France. When the congregation was ordered dissolved by a French Court, the monks moved to Spain and established a new plant to make the liqueur under their secret formula. The French liquidator thereupon planned to make a cordial resembling "Chartreuse" and to give to the Cusenier Company the right to sell it in the United States. When this company announced it for sale, the monks, who had registered their trade-marks in the United States many years before, applied for an injunction. Justice Hughes, in delivering the opinion of the Supreme Court, declared:

> The attitude of the monks in their efforts here and in other countries to prevent the use of the old marks shows clearly that there has been no intention to abandon. It was natural enough that the monks, unable to use their former marks in France, should desire to bring into use a designation which could be available there as well as in other countries. But this is far from indicating the slightest disposition to surrender to the world the right to denominate liqueurs by the ancient name and symbols taken from their own order.

The Court also observed that as soon as the liquidator announced his plan to put "Chartreuse" on the American market, the monks promptly asserted their rights. *Baglin* v. *Cusenier Co.,* 221 U. S. 580, 31 S. Ct. 669, 55 L. Ed. 863 [1 T.-M. Rep. 147].

But in the proceedings now before us, the evidence shows that Haim and his associates intended to abandon, and did abandon, the use of the "Sherwood" trade-name and trade-marks at the time of the sale to Mann in 1924. They relinquished their interest in the

whiskey business, and acquiesced in Mann's use of the name and marks not only during Prohibition, but also for two years thereafter. The Chancellor, after hearing the testimony, concluded that Haim's purpose in acquiring the old Sherwood corporation was merely "to liquidate the whiskey stock, collect the warehousing charges, sell the real estate, quit and close out as soon as possible." For inasmuch as the Eighteenth Amendment to the Federal Constitution became effective in 1920, the only part of the liquor business which Haim could legally conduct after he acquired the majority interest in 1921 was the sale of whiskey for medicinal purposes and the collection of storage charges. It was not until 1935, two years after the repeal of Prohibition, that Haim made an attempt to sell any whiskey under the "Sherwood" name. In that year he sold 150 cases of whiskey. But Mann alleged that Haim fraudulently used the name of the Sherwood Company, Inc., when no such corporation then actually existed.

On hearing of the sales by Haim, Mann, who had used the "Sherwood" name and trade-marks without objection for a period of twelve years, asked for an injunction; but this Court, without deciding the question of abandonment of the "Sherwood" name and marks, denied the injunction because the Mann group had failed to notify the public that their whiskey was not the "Sherwood" distilled at Cockeysville, inasmuch as an abandonment of trade-marks does not render them open to use on another produce "until their special meaning to the public is lost, at least not unless there should be in the labels some adequate notification of the change." *Interstate Distilleries* v. *Sherwood Distilling & Distributing Co., supra.*

Haim complains that Mann's corporation perpetrated a fraud by selling imitations. As the stock of whiskey diminished, the corporation extended the use of the name and mark to whiskeys produced at other distilleries. But each bottle bore a "Brand" label showing that the whiskey was of "bonded" age, over four years old. Mann declared that both the face label and the green stamp on the neck of the bottle contained the name of the distillery, in compliance with the requirements of the Federal Prohibition Bureau. Mann

also testified that the corporation commenced to sell straight rye whiskey as soon as its manufacture was legalized by repeal of Prohibition. The distillery at Westminster has used the three-chamber process with a basic formula for Maryland rye whiskey virtually identical to the formula which had been used in the distillery at Cockeysville.

If Mann and his associates had any design to defraud the public, the only possibility of deception came from the continuance of the name and trade-marks with the result that buyers might have thought they were buying whiskey which had been made at Cockeysville. But after the decision of the Court of Appeals in the *Interstate Distilleries* case, the Mann corporation promptly placed on the face labels on all its bottles of whiskey this notice: "Not distilled by the original Sherwood Distilling Company, of Cockeysville, Maryland." Mann now contends that if his corporation ever had "unclean hands," it has fully purged itself. With this contention we agree. The maxim that he who comes into equity must come with clean hands has nothing to do with retribution or punishment, or with disapproval of the character or past behavior of the applicant, but only with the effect of his present application. Consequently, when there has been a question of the propriety of conduct of an applicant in the past, but the applicant has corrected any alleged mistake and complied with the suggestions of the Court, his impropriety should be considered as closed and should not debar him from relief. *Baltimore Humane Impartial Society* v. *Marley,* 156 Md. 478, 144 A. 521; *Sheeler* v. *Holt,* 161 Md. 366, 157 A. 195. It has been held that even the fact that the manufacturer of an article had built up its business partly on actual misrepresentations made upon its labels and wrappers and in its advertisements should not debar it from relief in equity against unlawful imitation of its trade-name, where it has discontinued such misrepresentations. *Moxie Nerve Food Co.* v. *Modox Co.,* 153 Fed. 487.

Since the labels on the "Sherwood" bottles have been plainly marked, so there can be no chance that the public might now be misled to believe that the whiskey made at Westminster might have

been made at Cockeysville, we hold that the decree of the Circuit Court of Baltimore City, dismissing the bill of complaint for an injunction to restrain Mann and his corporations from the use of the "Sherwood" trade-name and trade-marks, should be affirmed.

The second appeal is from a decree granting an injunction to Mann's corporation, Sherwood Distilling Company, restraining the Standard Distilleries Products, Inc., and other parties involved from selling under the "Sherwood" name and marks. The bill was dismissed as to Charles Haim because the testimony did not show any ground for relief against him. It appears that the Sherwood Company, Inc., Irving Haim's company, had attempted to grant to the Standard company an exclusive license to use the "Sherwood" name and marks. This decree likewise should be affirmed.

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PINAUD, INC. v. BEAUX ARTS CHEMIST CORP. also known as "STEINBROOK PHARMACY"

*New York Supreme Court, Special Term, New York County*

*March 1, 1939*

UNFAIR COMPETITION—"EAU DE QUININE" AND "PINAUD SHAMPOO"—COMBINATION OFFER—SALE OF SEPARATE PRODUCTS AT ORIGINAL PRICE. Where defendant, a retail druggist, sold plaintiff's "Eau de Quinine" and "Pinaud Shampoo" products at their original price after plaintiff's offer of a free bottle of one to purchasers of the other, *held* that no injunction should issue, inasmuch as plaintiff did no general advertising of the offer to the public and the original package mentioned in Section 2354 of the Penal Law remained the same, though somewhat altered by having its seal broken.

In equity. Action for alleged unfair competition. On motion for preliminary injunction. Denied.

*Proskauer, Rose & Paskus,* all of New York City (*David L. Katz* and *Albert L. Solodar,* of counsel), for plaintiff.

*I. Stutz Drosner,* of New York City, for defendant.

STEUER, J.: Plaintiff is a manufacturer of toilet preparations. Defendant is a retail druggist. Two of plaintiff's products are

involved in this motion but as the facts in both are the same only one will be referred to. Among other preparations plaintiff and its predecessors have been manufacturing a hair tonic called "Eau de Quinine" for many years and have advertised it widely. In 1936 plaintiff brought out a new product called "Pinaud Shampoo." Plaintiff decided to introduce this product to the public by selling it to retailers, with the obvious intention of their reselling it to the public, in combination with its "Eau de Quinine" tonic. The price charged to a retailer for a combination package containing one bottle of each preparation was the same price previously charged for a bottle of the hair tonic. On the labels of the hair tonic bottles a statement was printed that the purchaser was entitled to a free bottle of the shampoo of the value of fifty cents and on the label of the shampoo bottle the customer was informed that the bottle was free to a purchaser of the tonic. The terms of these offers were made quite clear to retailers, but plaintiff did no general advertising to the public in regard to this situation. Defendant is charged with selling the units of the combination separately which is part of the conduct plaintiff seeks to restrain. Before making such sales defendant erased from the labels the words descriptive of the combination offer. It should be noted that the tonic is the same as was sold prior to the combination offer but plaintiff has made no provision for stocks of the same which complainant or any other retailer had on hand prior to the combination offer.

The claim is that defendant's conduct constitutes unfair competition in that it injures plaintiff's reputation or good-will. The specific charge of injury is that a purchaser of either the tonic or the shampoo would learn of the combination offer, conclude that he had been cheated, and lay the blame on plaintiff. Or else he would conclude that the combination offer was not genuine. Either conclusion, would affect plaintiff's reputation adversely. But it should be borne in mind that one who, after the combined products were on the market, bought a bottle sold to the retailer prior to the combination offer would be similarly influenced on learning of the offer. And this would result without any act of the retailer

which could possibly be construed as unfair. The only distinction between a purchase of a bottle sold by the retailer from combined stock and one sold by him from stock previously acquired is when knowledge of the combination offer comes to the purchaser coincidently with information that the particular package he bought was a part of that offer. When after the purchase the customer learns from printed matter on or in the package that he has not received all that was offered to him at the price he paid, then the retailer does damage to the manufacturer and is subject to injunctive restraint. (*Weissbard* v. *Coty, Inc.*, 66 F. (2d) 559.) Unfair competition is not limited to this instance. Where, however, there are goods in the hands of the retailer for which the manufacturer has made no provision he can only be damaged where the package itself tells the customer that he is not receiving all to which his money entitled him.

It is also claimed that the defendant here should be enjoined because he agreed to sell the products in combination. Proof of the agreement is not such as would warrant the relief.

Lastly, it is asserted that the erasure of the combination offer from the labels gives rise to the relief. It is claimed that this is a violation of section 2354 of the Penal Law, subdivision 6 of which provides that one who sells goods represented to be the manufacture of another unless contained in the original package and "under the labels, marks or names placed thereon by the manufacturer who is entitled to use such marks, names, brands or trade-marks" is guilty of a misdemeanor. The sole violation charged under this section is the removal from the containers or the printed information of the combination offer. It is quite clear that the section aims against deception of a customer and is to be read in this light. The original package mentioned in the section remains the only package, even though it may be somewhat altered as by having the seal broken. (*People* [*Complaint of Dietch*] v. *Goetz*, 234 App. D. 421.) Plaintiff has no property right in the words used which were removed. In fact, its only claim is that in removing such words, in some instances, defendant somewhat defaced the trade-

mark. An examination of the samples submitted shows that in certain of them an occasional word was obscured but in no case was this a possible cause of confusion. The plaintiff trade-mark was in no material sense interfered with.

Motion is denied.

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GEORG JENSEN & WENDEL v. GEORG JENSEN HANDMADE SILVER, INC.

*United States Court of Customs and Patent Appeals*

*Oppositions Nos. 12,699 and 12,719*

*April 29, 1940*

TRADE-MARKS—OPPOSITION—"Gi" IN FANCIFUL FORM AND "GEORG JENSEN"—CONFLICTING MARKS.

A trade-mark consisting of the letters "Gi," shown in fanciful form within a rectangle, *held* to be confusingly similar to a mark consisting of the name "Georg Jensen," both marks being used on silverware.

On appeal from a decision of the Commissioner of Patents, upholding a trade-mark opposition. Affirmed. For the Commissioner's decision, see 29 T.-M. Rep. 241.

GARRETT, P. J.: These cases consolidated for hearing, being briefed and orally argued together, present appeals from decisions of the Commissioner of Patents affirming decisions of the Examiner of Interferences sustaining oppositions of appellee to applications filed by the respective appellants for the registration of certain trade-marks hereinafter more particularly described.

The cases present somewhat unusual features as will be seen from the following statement of facts:

It appears that Georg Jensen, of Copenhagen, Denmark, many years ago became a successful designer of gold and silver articles, such as tableware and jewelry, and that at some time prior to 1923 the Georg Jensens Solvsmedie, A/S, appellant in suit No. 4318, a corporation of Denmark, acquired from Jensen the exclusive right to manufacture the articles so designed and "the use of his name in connection therewith, together with all patents, trade-names and trade-marks, and the exclusive right to sell all gold and silver articles

and jewelry made by him personally or under his direction or * * * made from designs made by him, anywhere and especially the exclusive right of sale thereof in the United States of America." Of this corporation, Georg Jensen, P. A. Pedersen, and Thorolf Møller were directors.

Georg Jensen & Wendel, A/S, appellant in appeal No. 4317, described as a "company" organized under the laws of Denmark, seems also to have existed prior to 1923, and, as we understand it, engaged in the business of selling the articles manufactured by Georg Jensens Solvsmedie, A/S, at a store in Copenhagen. Jensen, Pedersen, and Møller were also connected with this company.

It may be said at this point that the term "Solvsmedie" is stated to mean silversmith, and the corporation is usually referred to in the record as "the Smithy." For convenience, we shall generally so refer to it hereafter. The company will generally be referred to as Jensen & Wendel.

In 1919, or a little later, a party by the name of Frederik Lunning was employed for a time either by Jensen personally or by Jensen & Wendel, and later by the Smithy. In 1922 Lunning was sent by the Smithy to the United States for the purpose of attempting to create a market here for the Jensen articles. With the details of his activities in this country during the early period of his visit we are not concerned. It is sufficient to say that apparently he became convinced that a market could be created, and that on August 31, 1923, a four-party contract was entered into, the Smithy being referred to as the party of the first part, Pedersen and Møller as the parties of the second part, Lunning as the party of the third part, and Jensen as the party of the fourth part. All of them signed the instrument.

The parts of the contract of interest here are embraced in the following excerpts from it:

> First. That the said party of the first part [its exclusive right of manufacture, sale, etc., having been recited] in consideration of one dollar, paid by the party of the third part to the party of the first part and other good and valuable consideration, receipt of which is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain and sell unto the party of the third part his personal representatives and as-

signs, the exclusive right, license, and privilege of selling all the gold and silver articles and jewelry manufactured by it, from designs made by the said Georg Jensen or others, together with the use of all patents, trade-names, and trade-marks in connection therewith, in the following named territory, namely:

The United States of America, for the term of twenty years from the date of this agreement. . . .

* * *

For the purpose of enabling the party of the third part, his personal representatives and assigns, to establish, acquire and enter upon, manage, conduct, continue, and carry on the business of selling the said gold and silver articles and jewelry manufactured by the said Georg Jensen Silversmith Corporation, its successors and assigns, the party of the first part does for itself, its successors and assigns, and the parties of the second and fourth parts do for their personal representatives and assigns, by these presents, covenent, grant, promise and agree to and with the said party of the third part, his personal representatives and assigns, that, from and after the execution of this agreement, they will not at any time for the period of twenty years from and after the date hereof, either alone, or jointly with, or as agent for any person or persons, firms or corporations, except only as agent for said party of the third part hereunto, his personal representatives or assigns, and either directly or indirectly sell any gold and silver articles or jewelry in the United States of America or to any person or firms for resale in the United States of America, nor set up, make, carry on or encourage, or be engaged or interested in any opposition to the business established and to be established in the United States of America by the said party of the third part, his personal representatives and assigns, nor to do anything to the prejudice thereof.

On the other hand, the third part[y] his personal representatives, assigns or successors engage themselves neither direct or in connection with others, nor as agent for who ever it may be, to sell or work for the sale of gold, silverwork or jewelry than the said Georg Jensen Silversmitb Corporation, Copenhagen.

In January, 1925, a supplemental contract was entered into by the same parties which extended Lunning's rights under the original contract for a period of eighty years, making the total period one hundred years.

In April, 1926, a third contract was executed by the same parties in which it was recited that contracts whereby the Smithy had acquired from Jensen the rights of manufacture and sale as above stated, had been abrogated without the knowledge or consent of Lunning. The purpose of such third contract seemingly was principally to assure that the rights which Lunning had acquired would be protected by Jensen and the other Denmark parties.

It is proper to say that it is agreed that Lunning, by the terms of the contracts, became an independent dealer and not an agent. That is to say, he purchased the articles outright at his own risk and advertised and sold them upon such terms as he elected.

It was a part of the contract that Lunning should purchase certain designated quantities or goods each year during a period of ten years and that, upon this condition being complied with, the contract should become "irrevocable." It is in evidence that the condition was complied with.

All, or practically all, of the articles so purchased bore marks showing them to be Jensen's designs, and were marked also to indicate the country of origin.

It appears that on November 29, 1921, the Smithy obtained registration in the United States Patent Office of a trade-mark (certificate No. 148,928) embracing the words "Georg Jensen," fancifully arranged in an oval design. Its registration in this country appears to have been based upon a similar registration in Denmark, which latter was cancelled under the laws of Denmark on September 20, 1929, as a result of which appellants concede the expiration on that date of the United States registration. Reference has been made to it here because of the comments upon it in the briefs of the respective parties before us. We do not regard it as having any bearing upon the issues to be determined, except as it constitutes a part of the history of the case. Whatever may have been its status during the time it was in effect, Lunning's right to its use in the United States was evidently fixed by the contracts above recited.

In 1928 Lunning brought about the incorporation of his business under the laws of the State of New York, the name given the corporation being Georg Jensen Handmade Silver, Inc., which is the appellee in these cases. All his interests, rights, etc., as an individual under the contracts were transferred to the corporation so organized of which Lunning retained full control.

On March 22, 1932, appellee registered the letters "Gi" (certificate No. 292,638) in the United States Patent Office as a trade-mark for the articles in which it was dealing, and on April 26, 1932,

registered (certificate No. 293,530) the words "Georg Jensen," fancifully arranged in an oval design, resembling somewhat the design of registration 148,928 to the Smithy above discussed. It is noted that in No. 293,530, ownership was claimed by appellee of No. 148,928. Both of appellee's applications were filed on the same date, October 3, 1931.

The brief on behalf of appellee gives the following explanation of its purpose in securing its registrations:

> The business established by Lunning, and now owned by opposer, turned out to be a huge success, whereupon the two applicants invaded the market created by Lunning and sought to reap where they had not sown. Accordingly, Jensen & Wendel commenced to send propaganda into this country, inviting people to send their orders direct to Copenhagen and such orders would then be filled by mail or by delivery to steamers leaving Hamburg, Cherbourg, Plymouth, etc., so that it would not even be necessary to go near the Copenhagen store to purchase the silver. The silver so sent into this country carried the same trade-marks as the silver sold by Lunning and opposer and which had come to indicate opposer's business as the source for the silver in the United States. The Smithy also sent a spy, ostensibly for the purpose of ascertaining whether or not opposer was manufacturing the silver here, but this spy also obtained employment in opposer's store and was caught copying opposer's price lists. Opposer protested against all this but in vain, whereupon opposer obtained trade-mark registrations Nos. 292,638 and 293,530 and recorded these registrations at the ports of the United States, thereby stopping the unauthorized entry of the silver sent by the Smithy and by Jensen & Wendel into this country.

The brief also asserts:

> The public in this country having come to identify the trade-marks with opposer's business and the silver opposer sells, would not, of course, buy unmarked silver and the Smithy and Jensen and Wendel therefore filed the applications here in controversy with the double object in view of evading opposer's recording at the ports and at the same time satisfying the American public.

Whatever may have been the motives of the respective appellants, the facts are that on September 29, 1932, applications were filed by them in the United States Patent Office for registrations. The application involved in suit No. 4317 was for the letters "G J," enclosed in a rectangle, the "J" being quite fancifully formed, and the application involved in suit No. 4318 was for the same letters in a different arrangement. As amended, both applications named substantially the same articles as those named in the registrations of appellee.

Appellee filed notices of opposition in both instances, pleading its prior registrations, and appellants filed answers. Under the view which we take of the case it is unnecessary to analyze the notices and answers in detail. Appellee alleged that confusion in the mind of the public would result from the registration sought by appellants and cause it irreparable loss and damage. The notices also set forth the rights which appellee claimed under the contractual relations which have been described. Appellants, in their respective answers, made general denials of many of the allegations, and it is insisted, in substance, before us that appellee's rights under the contracts are not so broad as claimed by it.

Much of the brief on behalf of appellants is devoted to arguing that in selling and offering to sell their merchandise to individuals in the United States, frequently shipping it direct to such purchasers, they are not violating the contractual provisions, and it is insisted that it was the duty of the Commissioner of Patents and that it is our duty to pass upon this question. We do not deem it necessary or proper to do so in this proceeding further than to say that, in our opinion, appellee clearly had the right, by reason of the provisions of the contracts, to secure in its own name the registration which it obtained and which it pleaded in its notices of opposition. *Charles Lalanne* v. *F. R. Arnold & Co.*, 17 C. C. P. A. (Patents) 925, 39 F. (2d) 269 [20 T.-M. Rep. 174]; *Scandinavia Belting Co.* v. *Asbestos & Rubber Works*, 257 Fed. 937 [9 T.-M. Rep. 186]; *A. Bourjois & Company, Inc.* v. *Katzel*, 260 U. S. 689 [13 T.-M. Rep. 69]. Indeed, it may be said that appellee's right so to do is not brought in question here, nor is the validity of its marks assailed. Appellants' position rather seems to be that they also have the right to the *use*, in the United States, of the marks, or marks similar in character. We are not called upon here to determine what the rights of appellants may be to use of the marks under the somewhat peculiar state of facts existing.

We think appellee, upon the record presented, is the owner of its registered marks and that registration of any mark which would

conflict therewith must be denied so long as appellee 's registrations stand.

So, the ultimate question relates to the matter of confusion. As has been stated, one of appellants' marks, pleaded in both cases, consists of the letters "Gi." It is in evidence that the letters i and j are used interchangeably in the Danish language: It might be remarked too that at one time they were so used in the English language, and that now they are not infrequently given the same sound in pronunciation. Also, it is clear, as said in the decision of the Commissioner:

> . . . . it appears that all three parties deal in merchandise that is not only identical, but is manufactured by the same Danish concern; and that their marks are all derived from the name Georg Jensen. . . .

We are quite in agreement with the Commissioner's holding:

> That confusion would result if the mark of either applicant were used concurrently with opposer's mark seems too clear to merit discussion.

The various contentions on behalf of appellants, together with the authorities cited, have been carefully examined. Except as above indicated, they are not found to be relevant to the issue necessary to be here determined.

For the reasons stated, the decisions in both appeals are affirmed.

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ILLINOIS WATCH CASE COMPANY v. SHULTON, INC.

*United States Court of Customs and Patent Appeals*

*Oppositions Nos. 16,819 and 16,820*

*April 29, 1940*

TRADE-MARKS—OPPOSITION—"ELGIN AMERICAN" AND "EARLY AMERICAN"—CONFLICTING MARKS.

A trade-mark consisting of the words "Early American" *held* to be confusingly similar to the trade-mark "Elgin American."

TRADE-MARKS—OPPOSITION—GOODS OF SAME DESCRIPTIVE PROPERTIES.

*Held* that vanity cases, rouge and compact boxes, face powder containers, perfumes and other toilet accessories were of the same descriptive properties as saponaceous compounds for cleaning the hands, shaving cream, sticks and powder, packages containing soap and towel, soaps and soap powders.

On appeal from the decision of the Commissioner of Patents dismissing a trade-mark opposition. Reversed. For the Commissioner's decision see 28 T.-M. Rep. 246.

*Ephraim Banning,* of Chicago, Ill., for appellant.

*Howard S. Neiman,* of New York City, for appellee.

BLAND, J.: Two appeals are here involved in trade-mark opposition proceedings instituted by the appellant, Illinois Watch Case Company, owner of the registered trade-mark "Elgin American," issued under the ten-year proviso of section 5 of the Trade-mark Act of February 20, 1905, as amended.

Opposition No. 16,819 was directed against the application of appellee, Shulton, Inc., to register the trade-mark "Early American" as applied to saponaceous compounds for cleaning the hands, shaving cream, sticks and powder, packages containing soap and towel, soaps and soap powders.

Opposition No. 16,820 was directed against a similar application by appellee to register its same trade-mark as applied to astringents, bleach creams, and many other toilet and, as they are sometimes called, beauty aids.

Both of the said applications of appellee claimed use of the mark since April 2, 1937. Appellant, in its notices of opposition, alleged its belief that it will be damaged by the registration of the mark as applied for, claiming use of its trade-mark for more than forty years last past as applied to one or more of certain novelties, *viz.,* vanity cases, rouge and compact boxes, face powder containers, containers for cold cream, perfumes and other toilet accessories, made of both base and precious metals, and of refills for the containers.

Both parties took testimony in a record common to the two oppositions. The decisions of the Examiner of Interferences are identical in both cases; the decision of the Commissioner in Opposition No. 16,820 is based upon the reasons set forth in this decision in Opposition No. 16,819; and upon appeal the cases have been briefed as one. Therefore, they will be disposed of in a single opinion.

The Examiner of Interferences held that the goods of the parties possess the same descriptive properties and that the word "American" constitutes the major portion of and is of substantially equal prominence in the marks of both parties, and that the marks when considered as a whole are similar in appearance and sound. The Examiner also considered that the word "American" is the dominant feature of the mark sought to be registered and believed that the registration of the mark would involve a mere evasion of the geographical clause of section 5, *supra*, and, accordingly, held this latter clause to be a statutory bar to registration.

In this decision the Examiner held that in view of the resemblances between the marks there is at least reasonable doubt that the concurrent use of them in trade upon the respective goods of the parties would be likely to cause confusion, and resolved such doubt against the newcomer. The Examiner, accordingly, sustained the notice of opposition and further adjudged that the appellee was not entitled to the registration for which it made application.

The Commissioner in his opinion agreed with the Examiner of Interferences that the goods of the respective parties possess the same descriptive properties. The Commissioner did not agree with the Examiner of Interferences in his holding that the concurrent use of the involved marks in trade on the goods involved would be likely to cause confusion, and also held that the trade-mark "Early American" does not suggest any present geographical locality or any company whose name appears in the record, and reversed the decision of the Examiner of Interferences.

We agree with the tribunals below in their respective findings that the goods of the parties possess the same descriptive properties. Not only are the goods of the same descriptive properties, but both marks are used upon goods which are identical.

We disagree with the decision of the Commissioner in his holding that the concurrent use of the marks of the parties on the goods involved would not be likely to result in confusion as to their origin. The appearance of the marks as a whole is quite similar. The marks each contain the same number of syllables. The two words

of each mark are not hyphenated. The first letter of the first word of each mark begins with "E." The last word of each mark is the same. In sound the marks are quite similar. The mark of appellant was registered under the ten-year proviso of section 5 of the Trade-Mark Act of 1905, and, therefore, is presumed to have a secondary meaning other than its geographical significance, which serves to indicate the origin in appellant of its goods in controversy. In advertising the goods of the parties over the radio and in speaking of them the terms would be easily confused, and the difference in meaning which is stressed here, under such circumstances, we think, would not avoid the likelihood of confusion. Certainly, there is a grave doubt on the question, and, as did the Examiner of Interferences, we think the familiar rule that the doubt should be resolved against the newcomer should be applied. It is almost trite to repeat here what has so often been said by the courts that the field from which to select a desirable trade-mark to indicate the origin of a seller's goods is a broad one. *California Packing Corp.* v. *Tillman & Bendel, Inc.*, 17 C. C. P. A. (Patents) 1048, 1056, 40 F. (2d) 108 [20 T.-M. Rep. 238].

The record shows that the mark "Elgin American" has been used on most of appellant's goods, or those of its predecessors, for nearly half a century and on all of its goods long before appellee adopted its mark, and is one that is well known to the buyers of the goods of the respective parties.

Since it is our view that the marks of the respective parties so nearly resemble each other as to be likely to cause confusion in the sense that the registration statute was intended to prevent, it follows that the mark of appellee should not be registered, and that the oppositions should have been sustained. The decisions of the Commissioner of Patents are reversed.

JACKSON, J., dissenting: I cannot agree that the marks of the respective parties so nearly resemble each other as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers. It is true that each of the marks consists of two words containing six syllables, and the marks differ only in the words

"early" and "Elgin." This is a difference, however, in spelling, sound and meaning.

The trade-mark of appellee surely has a definite and well-established meaning, which is entirely different from any meaning that can be suggested by either of the two component words alone. No one reasonably thinks of a geographical locality when confronted with the words "Early American." To my mind the only sensible significance that could be attached to this expression is that of an era in the distant past of American life and customs. The words conjure up pictures of knee britches for men and hoop skirts for women, powdered wigs, beauty spots, lavender and old lace, clipper ships, blunderbusses, country dances, hand-made furniture, and the countless other things which cause to rise in the American mind thoughts of the American past.

These comments upon the significance attached to the words "Early American" are supported by the exhibits of advertising matter and pictures of goods, of record here on behalf of appellee, which, as stated by the Examiner, "stress the use of 'Early American' as referring to the early era of American Colonial history * * * and bring to mind the romance, glamour and atmosphere of those days."

While it is true that the meaning of a trade-mark is not controlling, as we held in *Kroger Grocery & Baking Co.* v. *Blue Earth Canning Co.*, 24 C. C. P. A. (Patents) 1098, 88 F. (2d) 725 [27 T.-M. Rep. 250], nevertheless it should be considered along with the other facts and circumstances in the case, and in this instance it seems to me that the meaning of the mark sought to be registered, together with its spelling and sound, differentiates it sufficiently from the trade-mark of appellant to obviate any reasonable liability that its registration for use as applied for would be likely to cause confusion in the mind of the public or to deceive purchasers.

I can see no likelihood of confusion in the pronunciation of the respective trade-marks in radio advertising. They sound entirely different, and radio announcers are noted for their clear enunciation and articulation. Moreover, it is my opinion that in advertising

the goods of the appellant stress would be placed on the mark as applied to the articles covered by its registration, namely, jewelry for personal adornment, cigarette cases, vanity cases, card cases and toilet articles made of or plated with precious metal, and flat and hollow tableware, rather than the filling or refills of soap, creams or powders which, to my mind, are incidental to its business.

In my opinion the decision of the Commissioner should be affirmed. I am authorized to state that the Presiding Judge joins in this dissent.

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IN THE MATTER OF THE APPLICATION OF MAIDEN FORM BRASSIERE COMPANY, INC.

*United States Court of Customs and Patent Appeals*

*Serial No. 395,921*

*April 29, 1940*

TRADE-MARKS—"TRIC-O-LASTIC" FOR ELASTIC FABRICS—USE OF MARK ON GOODS NOT MADE BY APPLICANT.

Where the applicant made and sold certain articles of women's wear, such as brassieres, girdles, garter belts, etc., made in part of elastic fabric or webbing, which appellant buys from others and does not sell separately from the garment, appellant *held* not entitled to register as a trade-mark for use on such elastic fabric the word "Tric-O-Lastic" on the ground that said mark did not show origin of the goods and was, therefore, not a trade-mark.

On appeal from a decision of the Commissioner of Patents, refusing to register a trade-mark. Affirmed. For the Commissioner's decision see 29 T.-M. Rep. 410.

*Sidney E. Gottschall,* of New York City, for appellant.

*Howard S. Miller,* Law Examiner, U. S. Patent Office, for U. S. Patent Office.

BLAND, J.: This appeal from the decision of the Commissioner of Patents, affirming that of the Examiner of Trade-marks declining to register "Tric-O-Lastic" as a trade-mark for elastic fabrics and webbing, presents a question relating to whether or not appellant

has shown a trade-mark use of the mark involved. Other questions are presented in numerous reasons of appeal, but in view of our conclusion, we think the decision of the case on the main question involved, to wit, the character of the use of the mark, renders unnecessary extended discussion of all other questions which appellant seeks to raise.

Appellant's mark as applied to its goods is in the following form:

It is shown in the record, which includes numerous amendments, explanations and petitions to the Commissioner on procedural matters, that appellant is the manufacturer and seller of women's garments such as "brassiers, panty-girdles, girdles, garter-belts, etc.," and that such articles are made in part of elastic fabrics or webbing which appellant buys but does not produce and which elastic fabrics or webbing are not by appellant sold separately from the garment in which they are embodied. It furthermore appears from the record that the mark as above set out is applied, when the garment is sold, to that portion or section of the garment which is composed of elastic fabric or webbing.

It was held by the Examiner that the question presented was identical with that decided by Assistant Commissioner of Patents Leslie Frazer in the case of *Ex parte A. Stein & Co.*, 159 Ms. D. 868, [29 T.-M. Rep. 55], and that, in substance, since the applicant was not a manufacturer or dealer in elastic fabrics and webbing as such, it was not entitled to registration for such elastic fabrics and webbing when embodied in a finished garment. The Examiner said:

> If applicant, a manufacturer or dealer in corsets and like garments, may register its trade-mark used on such garments as a trade-mark for elastic fabrics, a manufacturer of pants would have an equal right to register a mark used thereon for the buttons attached thereto. One using a mark on bread might register it for sugar or flour or baking powder; a manufacturer or seller of automobiles might register the mark used thereon for

tires; a publisher might be entitled to register his mark on printing paper; and a paper manufacturer would be entitled to register his mark for pulp.

The Examiner relied upon the case of *Crosley Radio Corporation* v. *Sparks-Withington Company,* 159 Ms. D. 871, 33 U. S. P. Q. 162, where it was held that an applicant had not shown a proper use of its mark for the purpose of registration if it was used upon

refrigerator units, namely: metal frames for attachment to the inside of refrigerator doors, for holding foodstuffs

where it had never sold such frames apart from the refrigerator. He also pointed out that in *Ex parte Alfred H. Smith Co., Inc.,* 145 Ms. D. 35 [14 T.-M. Rep. 115], it had been held that an applicant was not entitled to register his mark for bottles or other containers where he was not selling such bottles or containers empty but his trade was in the contents of such receptacles. Other pertinent authorities were alluded to.

Upon appeal to the Commissioner, in a decision by Justin W. Macklin, First Assistant Commissioner, the decision of the Examiner was affirmed, in a very well considered opinion, after citing a number of authorities, and it was held that the Examiner had arrived at the right conclusion and that it was not shown that the applicant had made a trade-mark use of his mark such as the law requires.

It is our opinion that the Commissioner's decision is without error. Appellant does not purport to be a dealer in elastic fabrics and webbing but a dealer in undergarments. Its interstate commerce is confined to the latter. The record shows that it has registered the mark "Tric-O-Lastic" for the finished garment, and regardless of whether it uses the trade-mark "Tric-O-Lastic" or its registered trade-mark "Maiden Form," it has the right to place the trade-mark on any part of the garment, and to apply the trade-mark "Tric-O-Lastic" as applied for on the elastic part of the garment would not necessarily indicate the origin of the elastic, but would ordinarily suggest the origin of the garment. Regardless of whether one has the right to put his trade-mark upon a part of an assembly, he being the maker and seller of the part independently or in combination, it is our view that, under the facts at bar, to so

label the part which he does not produce would not be indicating the origin of that part. So, confining the issue strictly to the facts at hand without further discussing or passing upon the question as to whether one has the right to trade-mark a component part of an article which part he makes and deals in, it is clear to us that he should not be permitted to register a mark for a component part where he neither produces nor separately sells the same.

Appellant in his reasons of appeal assigned numerous alleged errors, many of which, in view of our conclusion, need not be referred to here. He has questioned the action of the Commissioner in affirming the Examiner of Trade-marks in requiring the applicant to change or modify the classification from class 42, knitted, netted and textile, fabrics, to class 39, clothing. He also questions the action of the Commissioner in affirming the decision of the Examiner in requiring the applicant to specify the width of the elastic and whether or not it is sold "in the piece."

Applicant's application for registration was not denied by reason of any failure of compliance with said requirements, but solely upon the ground that the applicant had not made a trade-mark use of the mark applied for. If it were conceded, and it is not, that the Patent Office was wrong in its ruling on the questioned procedural actions, it, in view of our conclusion above stated, could avail appellant nothing.

Being in agreement with the decision of the tribunals below on the main question in the case, it is unnecessary to further discuss or determine any other issue which appellant has attempted to raise. The decision of the Commissioner of Patents is affirmed.

## Decisions of the Commissioner of Patents

*Cancellation—Evidence*

Frazer, A. C.: Denied the petition of Old Monk Olive Oil Company for cancellation of trade-mark registration No. 183,211, issued April 22, 1924, to Southwestern Coca-Cola Bottling Co., and assigned to Old Monk Punch Company, of El Paso, Tex.

Observing that the only evidence in the records is the testimony taken in an opposition proceeding between the same parties, which, for various reasons, respondent's counsel insists was improperly received and should have been stricken, the Assistant Commissioner quoted rule 157 of the Rules of Practice relating to patents and rule 60 of the Rules of Practice relating to the registration of trade-marks, and said:

> I am clearly of the opinion that much of the testimony taken in the opposition proceeding was relevant and material in the instant proceeding, and that there was no impropriety in the granting of petitioner's motion that it be received, nor in denying respondent's motion to strike. It does not necessarily follow, however, that such testimony constitutes proof that petitioner is injured by the registration sought to be canceled. I think it does prove, as held by the Examiner, that petitioner had used the mark in question "in connection with goods possessing the same descriptive properties as the goods of the respondent and as of a date prior to December 12, 1923, the filing date of the application maturing into the registration of the respondent." But that is not sufficient.

He noted that the goods covered by respondent's registration are described as "ginger ale, orange, lemon, lime, and punch, all being nonalcoholic, noncereal, maltless beverages sold as soft drinks," and that the petition to cancel is predicated upon petitioner's use of the mark for loganberry juice and grape juice, and said:

> The petition was filed June 10, 1938. Petitioner's testimony in the opposition proceeding was taken June 19, 1933. I find no reference therein to petitioner's use of the mark on grape juice; but it does appear that petitioner was then using the mark on loganberry juice, and had so used it since 1915. As loganberry juice unquestionably is of the same descriptive properties as the goods set forth in the registration, it follows that if such use by petitioner may be presumed to have continued, petitioner has shown itself to be injured within the meaning of the statute, and the registration should be canceled.

He then said:

It is well established that where, as here, a petitioner for cancellation of a trade-mark registration relies upon its asserted ownership of a technical trade-mark, it must allege and prove that it was using such mark at or about the time its petition was filed.

He then quoted from the decision of the Court of Customs and Patent Appeals in the case of *Model Brassiere Co.* v. *Bromley-Shepard Co.*, 18 C. C. P. A. 1294, 49 F. (2d) 482 [21 T.-M. Rep. 382], and from the decision of the Court of Appeals of the District of Columbia in *Skene* v. *The Marinello Co.*, 50 App. D. C. 265, 270 Fed. 701 [11 T.-M. Rep. 110], and said:

In the instant proceeding there is no evidence that petitioner had used its mark, upon any goods pleaded in the petition, for a period of five years immediately preceding the filing of the petition. To say that it used the mark upon such goods throughout that five year period would be pure speculation. The burden was upon petitioner to prove its case as alleged, and in my opinion it has failed to discharge that burden.[1]

*Conflicting Marks*

FRAZER, A. C.: *Sustained* the opposition of the Coca-Cola Company to the application of Puerto Rico Distilling Company of Barrio Miramar, Arecibo, Puerto Rico, for registration of the notation "Ronricola" as a trade-mark for "rum, alcoholic cocktails, and beverages containing substantial portions of rum."

Observing that the mark has been used by applicant since April 15, 1937, on a mixed drink consisting of rum and a so-called cola syrup, and that opposer relies upon its ownership of the well-known trade-mark "Coca-Cola," registered and in use for approximately half a century, upon goods identical with one ingredient of applicant's product, the Assistant Commissioner said:

Upon the record before me I have no doubt but that applicant's "Ronricola" beverage and opposer's "Coca-Cola" beverage do in fact possess the same descriptive properties within the meaning of the Trade-Mark Act. It is clear the rum and "Coca-Cola" are sold over the same counters to the same purchasers, and that they are frequently used together in making mixed drinks.

With regard to whether or not the marks of the parties are confusingly similar, the Assistant Commissioner quoted from the opinion

[1] Old Monk Olive Oil Co. v. Southwestern Coca-Cola Bottling Co. (Old Monk Punch Co., Assignee, Substituted), Canc. No. 3388, 163 M. D. 456, March 11, 1940.

of the Court of Customs and Patent Appeals in the case of *Corn Products Refining Co.* v. *The Coca-Cola Co.*, 26 C. C. P. A. 1181, 103 Fed. (2d) 385 [29 T.-M. Rep. 296], and said:

> In that case it was held that "Dextra-Cola" is confusingly similar to "Coca-Cola," the mark here relied upon by opposer; and in *King Kola Manufacturing Co.* v. *The Coca-Cola Co.*, 26 C. C. P. A. 704, 99 F. (2d) 983, the same court held "King Kola" and "Coca-Cola" to be confusingly similar. It is true that in those two cases the goods involved were more nearly identical than are the goods of the instant case; and the marks, of course, were not the same. Both cases, however, lend support to my view that applicant's mark and opposer's are so nearly similar as to be likely to cause confusion when applied to goods of the same descriptive properties. I think it is highly probable that many purchasers, upon learning the nature of applicant's product, would be likely to assume that it is either manufactured or in some manner sponsored by opposer.[2]

FRAZER, A. C.: *Held* that The Perfumes of His Highness Prince George Konstantinovitch Romanov of Russia, Inc., is not entitled to register, under the provisions of the Act of March 19, 1920, the representation of a crown, in association with a fanciful monogram said to be "in the Russian type of letters," and the words "Prince George of Russia," as a trade-mark for cologne, perfume and sachet.

Observing that registration was refused by the Examiner of Trade-Marks on the ground that applicant's mark is confusingly similar to the previously registered trade-mark, "Prince Georges," appropriated to merchandise of the same descriptive properties, the Assistant Commissioner said:

> I agree with counsel for applicant that in appearance the two marks are readily distinguishable, but appearance is not the only factor to be considered. The words "Prince George of Russia" constitute the only feature of applicant's mark capable of being spoken, and this feature is manifestly similar to the expression "Prince Georges." That confusion would result from the concurrent use of these two notations on identical merchandise of the character here involved, seems to me not only likely, but inevitable.[3]

### *Corporate Names*

FRAZER, A. C:: *Held* that Mid-West Oil Company is not entitled to register the notation "Penn-Zone" as a trade-mark for

[2] The Coca-Cola Company v. Puerto Rico Distilling Company, Opp'n No. 17,428, 163 M. D. 452, March 7, 1940.

[3] Ex parte The Perfumes of His Highness Prince George Konstantinovitch Romanov of Russia, Inc., Ser. No. 412,352, 163 M. D. 455, March 11, 1940.

"lubricating oils and lubricating greases," in view of the previously registered mark "Pennzoil" applied to the same goods.

In his decision, the Assistant Commissioner said:

> It is asserted in applicant's brief "that the marks are different in appearance, significance and sound." As to significance this is probably true, but in appearance and in sound I think the two expressions "Pennzoil" and "Penn-Zone" are too nearly similar to be used concurrently on identical merchandise of the character here involved without reasonable likelihood of confusion.[4]

### *Functional Features of Goods*

FRAZER, A. C.: *Held* that Forged Steel Products Co. is not entitled to register, as a trade-mark for pliers, the mark shown on the drawing as three parallel rows of small concentric circles.

The Assistant Commissioner pointed out that the specimens filed showing the trade-mark as actually used by applicant upon the goods are photographs of a pair of pliers with such circles embossed upon the gripping surface of the handle, and said:

> It is my opinion that registration was properly refused on the ground that the alleged trade-mark is an integral part of the goods to which it is applied, and is of mechanical utility in connection therewith. It is a matter of common knowledge that the handles of most pliers are roughed to prevent slipping in the hand of the user, and it is admitted by applicant's counsel that, "to a negligible extent," the embossed circles on applicant's plier handles serve that purpose.

He then pointed out that the mentioned admission of counsel was predicated upon a statement occurring in the affidavit of applicant's president "that this particular symbol serves no utilitarian purpose beyond that of any other roughened surface found on hand tools to preclude slipping of the palms thereover during the grasp thereof."

He then said:

> It is well established that the mere configuration of goods, having functional utility, is not subject to trade-mark protection. See *Sparklets Corporation* v. *Walter Kidde Sales Co.*, 26 C. C. P. A. 1342, 104 F. (2d) 396, and authorities there cited.

And, in answer to counsel's contention that applicant's so-called "symbol" is nevertheless registrable as a trade-mark because of the

[4] Ex parte Mid-West Oil Company, Ser. No. 381,991, 163 M. D. 466, March 29, 1940.

established fact that through long use it has come to denote origin in applicant, he pointed out that the case *In re Plymouth Motor Corporation,* 18 C. C. P. A. 838, 46 F. (2d) 211 [21 T.-M. Rep. 157], relied upon by counsel in support of his argument that the secondary significance thus acquired entitled applicant's mark to registration, was expressly overruled in the later case of *In re Canada Dry Ginger Ale, Inc.,* 24 C. C. P. A. 804, 86 F. (2d) 830 where it was held in effect that the statutory prohibition against registration of descriptive marks is not overcome by their acquisition of secondary meaning.[5]

FRAZER, A. C.: *Held* that Forged Steel Products Co. is not entitled to register, as a trade-mark for pliers, a mark which is described in the Examiner's statement as "parallel rows of circular rings embossed on the gripping portions of the pliers, and between the rows the notation 'Vacuum Grip.' "

He noted that registration was refused by the Examiner on the grounds that the words "Vacuum Grip" are descriptive of the goods, and that the rings serve a utilitarian function, and said:

> For the reasons stated in my decision in applicant's companion case (T.-M. Serial No. 380,630), rendered concurrently herewith, I think the second ground of refusal was proper. As to the first, I think the Examiner erred.

He then pointed out that applicant is the owner of a registration of the words "Vacuum Grip" alone, issued April 19, 1921, for goods identical with those involved in the instant application, and said:

> In *Ex parte New York Evening Journal, Inc.,* 505 O. G. 1034, 42 U. S. P. Q. 467, I expressed the opinion "that after a mark has once been registered its owner is entitled to the benefit of any reasonable doubt as to the registrability of the same or a closely similar mark upon a subsequent application to register." Upon the record before me, I am not convinced beyond doubt that applicant's registered mark is descriptive of pliers, as the Examiner in effect has held it to be. Applying the rule announced in the cited case, I would thus be inclined to hold the present mark registrable in the absence of the embossed rings.

[5] Ex parte Forged Steel Products Co., Ser. No. 380,630, 163 M. D. 467, March 29, 1940.

While I do not agree entirely with the Examiner's reasoning, I am of the opinion that he reached the right result, and his refusal to register applicant's mark as presented is accordingly affirmed.[6]

*Geographical Terms*

FRAZER, A. C.: *Affirmed* the decision of the Examiner of Trade-Marks refusing to register, under the provisions of the Act of February 20, 1905, as a trade-mark for "incandescent bulbs," the trade-mark of Wabash Appliance Corp., described in the brief as consisting of the words "Wabash Superlite" encircling a design of an incandescent bulb with the words "the modern light-conditioning bulb."

Observing that the first ground of rejection was that the word "Wabash" is geographical, being the name of an incorporated city in Indiana, and of smaller towns in Arkansas and Nebraska, the Assistant Commissioner said:

That the name of an incorporated city is a geographical term there can be no doubt. *Champion Spark Plug Co. v. Globe-Union Manufacturing Co.*, 24 C. C. P. A. 1088, 88 F. (2d) 970 [27 T.-M. Rep. 266]. And where, as appears to be the case here, such name has no other significance, it is necessarily "merely" geographical, and is forbidden registration by the express language of the act.

He then said:

Not only do I agree with the Examiner that "Wabash" is nonregistrable because geographical, but I am also of the opinion that "Superlite" is nonregistrable because descriptive of applicant's goods.

Because counsel cited *Ex parte The New Jersey Zinc Co.*, 269 O. G. 703 [10 T.-M. Rep. 412], in support of the proposition that a combination of geographical and descriptive terms may be registered, he pointed out that that decision was in effect overruled by the Court of Customs and Patent Appeals in the case of *In re The Midy Laboratories, Inc.*, 26 C. C. P. A. 1294, 104 F. (2d) 617 [29 T.-M. Rep. 392], and that in any event it would not be in point here, because applicant has disclaimed neither the geographical word "Wabash" nor the descriptive word "Superlite."

Observing that the second ground upon which the Examiner refused registration was that applicant's mark is confusingly similar

[6] Ex parte Forged Steel Products Co., Ser. No. 378,746, 163 M. D. 466, March 29, 1940.

to the previously registered marks "Superlite" for "bare and insulated electrical wires and cables," and "Super" for "portable electric lamps," he said:

> That applicant's goods and those of each of the references are of the same descriptive properties, I entertain no doubt; and I think it is at least reasonably likely that the concurrent use of applicant's mark and either of the registered marks may lead to confusion.[7]

FRAZER, A. C.: *Held* that Cohen, Goldman & Co. is not entitled to register the notation "British Knockabout Model," displayed in reverse printing upon a rectangular background, as a trade-mark for "men's, boys', and children's outer garments, consisting of coats, vests, pants and trousers."

Observing that the Examiner held that, because it includes undisclaimed geographical and descriptive matter, the mark is nonregistrable under the Act of 1905, the Assistant Commissioner pointed out that as applicant has expressed its willingness to accept registration under the Act of March 19, 1920, that ground of refusal need not be passed upon. He then said:

> Registration was also refused on the ground that applicant's mark is confusingly similar to the marks "Knockabout" and "Nockabout," both previously registered for merchandise of the same descriptive properties as that set forth in the application. It must be admitted, as urged by counsel, that those two marks are more nearly similar to each other than is applicant's mark to either; but that fact adds nothing to the registrability of applicant's mark. See *Pepsodent Co.* v. *Comfort Manufacturing Co.*, 23 C. C. P. A. 1224, 83 F. (2d) 906 [26 T.-M. Rep. 481], and cases there cited. As I am constrained to agree with the Examiner that confusion would be likely to result from the concurrent use of applicant's mark and either of the registered marks, it follows that in my opinion the registration applied for was properly refused.[8]

FRAZER, A. C.: *Affirmed* the ruling of the Examiner of Trade-Marks holding the trade-mark of A. J. Lindemann & Hoverson Company nonregistrable under the provisions of the Act of March 19, 1920, because confusingly similar to several registered marks appro-

[7] Ex parte Wabash Appliance Corp., Ser. No. 413,169, 163 M. D. 459, March 22, 1940.

[8] Ex parte Cohen, Goldman & Co., Inc., Ser. No. 413,181, 163 M. D. 461, March 22, 1940.

priated to merchandise of the same descriptive properties as that set forth in the application.

In answer to applicant's argument that mere similarity, short of actual identity, affords no basis for refusal to register under the 1920 act, the Assistant Commissioner referred to his decision in the case of *Vanity Fair Silk Mills* v. *American Manufacturing Corporation,* 467 O. G. 986 [26 T.-M. Rep. 493], for an expression of his views to the contrary.[9]

FRAZER, A. C.: *Reversed* the decision of the Examiner of Interferences and sustained the opposition of New York World's Fair 1939, Incorporated to the application of Consolidated Razor Blade Co., Inc., for registration of the words "World's Fair," in association with a representation of the globe, as a trade-mark for razor blades.

The Assistant Commissioner pointed out that the only question presented for determination was whether or not the mark proposed to be registered constitutes an appropriation of opposer's corporate name within the meaning of the proviso of section 5 of the Trade-Mark Act of February 20, 1905, which forbids the registration of such names except under certain conditions not here present, and that the case was submitted on an agreed statement of facts from which it appear that opposer is a nonprofit corporation "engaged in no commercial business activity other than promoting and preparing to conduct an exposition"

> While I think it is true that any international exposition is likely to be popularly known as a "World's Fair," the fact remains that there is only one such project in existence having formally adopted those words as a part of its name. One may speak loosely of the San Francisco World's Fair, or the Chicago World's Fair, or the St. Louis World's Fair; but at the present time, to say merely "World's Fair," is necessarily to name the opposer.

He then quoted from the decision of the Supreme Court in the case of *American Steel Foundries* v *Robertson,* 269 U. S. 372, 1926 C. D. 289 [16 T.-M. Rep. 51], as follows:

[9] Ex parte A. J. Lindemann & Hoverson Company, Ser. No. 391,768, 163 M. D. 462, March 26, 1940.

There may be, of course, instances where a single word in the corporate name has become so identified with the particular corporation that whenever used it designates to the mind of the public that particular corporation.

He then said:

In my opinion this is such an instance. While the expression "World's Fair" is not opposer's complete name, I am convinced that it primarily signifies opposer to a very substantial portion of the American public.

Nor is it of consequence that opposer is not engaged in commerce.

Then he quoted from the decision of the Court of Appeals of the District of Columbia in *The Asbestone Co.* v. *The Philip Carey Manufacturing Co.*, 41 App. D. C. 507 [4 T.-M. Rep. 161], as follows:

It is not the business which the statute in this particular aims to protect. It is the corporate name, and it is sufficient that possible damage may be inferred from invading the property right which the corporation possesses in its name.[10]

### *Goods of Different Descriptive Properties*

FRAZER, A. C.: *Dismissed* the opposition of Nathan Drossner to the application of Leonard Jones for registration of a trade-mark.

The Assistant Commissioner pointed out that the mark sought to be registered is dominated by the words "Batter Up," in association with the picture of a baseball player in the act of swinging a bat, that those same features make up the trade-mark relied on by opposer, which was registered prior to applicant's claimed date of first use, and that the only question for determination was the correctness of the Examiner's ruling that the goods of the parties to which their marks are respectively applied possess the same descriptive properties within the meaning of the Trade-Mark Act.

Observing that applicant's goods are described in the application as "fresh citrus and deciduous fruits, fresh vegetables, and melons," that opposer's mark is registered for "soft drinks," and that it appears from opposer's testimony that the particular product to which his registered mark is applied is a lithiated drink flavored with oil of lemon, the Assistant Commissioner distinguished this case from

[10] New York World's Fair 1939, Inc. v. Consolidated Razor Blade Co., Inc., Opp'n No. 18,196, 163 M. D. 464, March 26, 1940.

the case of *John Aquino, Inc.* v. *Fruit Industries, Ltd.*, 159 M. D. 5 [23 T.-M. Rep. 122], cited by the Examiner, and said:

I am clearly of the opinion that the goods here involved are of different descriptive properties. Applicant's fresh fruits and vegetables are foods, while opposer's soft drink is primarily a thirst quencher without food value. The situation is not unlike that considered by the Court of Customs and Patent Appeals in the very recent case of *Kraft-Phenix Cheese Corporation* v. *Consolidated Beverages, Ltd.* [30 T.-M. Rep. 52], where, in holding that cheese-coated popcorn and soft drinks do not possess the same descriptive properties, the court said:

"It is commonly known that soft drinks have for their main purpose the quenching of thirst and, even though they may be flavored, ordinarily are never considered as a food. Popcorn is derived from corn and is certainly a food. Cheese is made from milk and likewise is nutritious food product."[11]

*Interference—Evidence*

FRAZER, A. C.: *Disposed* of appeals of the party R. H. Macy & Co., Inc. from decisions of the Examiner of Trade-Mark Interferences in two opposition proceedings and an interference proceeding, all involving the party Eclipse Knitting Mills, Inc. and concerning ownership of the trade-mark "Matchmates," or its equivalent "Match-Mates," for use with various items of women's wearing apparel.

The facts were stated as follows:

On June 9, 1937, Eclipse Knitting Mills, Inc., filed its application for registration of the notation "Match-Mates"; and on January 10, 1938, R. H. Macy & Co., Inc., applied for registration of the notation "Matchmates." Each party duly filed notice of opposition to the other's application; the two applications were placed in interference; and in all three proceedings Eclipse Knitting Mills, Inc., prevailed.

For the sake of convenience the parties will be referred to hereinafter merely as Eclipse and Macy.

Macy's opposition to the Eclipse application is predicated upon Macy's alleged use of the trade-mark "Match-Makers" upon women's wearing apparel prior to the adoption by Eclipse of the trade-mark "Match-Mates"; it being asserted in the notice that these two marks are so nearly similar as to be likely to cause confusion. Macy's application is opposed by Eclipse by reason of the latter's alleged prior use of the mark here sought to be registered.

With regard to the evidence, the Assistant Commissioner said:

[11] Nathan Drossner v. Leonard Jones, Opp'n No. 17,820, 163 M. D. 430, January 24, 1940.

That Eclipse began applying its mark to the goods described in June, 1937, is quite clearly established by the evidence, and is not seriously disputed by counsel for Macy. It is also clear that Macy used both "Match-mates" and "Match-Makers" in its advertising as early as August, 1936; but there is no satisfactory evidence that either of these notations was used by Macy as a technical trade-mark prior to 1938. Such use as was made of the "Match-Makers" mark prior to June, 1937, may have been sufficient ground for sustaining Macy's opposition to the application of Eclipse, had it been pleaded in the notice of opposition; but it was not so pleaded.

He then said:

It appears that in September, 1937, Eclipse executed an assignment of its trade-mark and its application for registration to a concern known as Allied Stores Corporation; and that in March, 1938, a reassignment was made from Allied Stores Corporation to Eclipse. Counsel for Macy argue that Eclipse thus divested itself of the right to claim a date of use prior to the reassignment, which was subsequent to Macy's filing date. I do not think the point is well taken. The so-called assignment was merely a paper transaction; but in any event there would have been no break in the chain of title, for certainly an applicant for registration may take advantage of use by a predecessor in interest.

He then said:

It is my opinion that both opposition proceedings were correctly decided by the Examiner of Interferences. In the interference proceeding, however, I think he erred in his adjudication that Eclipse is entitled to register its mark.

Referring to the testimony regarding Macy's use of its "Match-maker" mark beginning with its use in advertising during August, 1936, the Assistant Commissioner said:

It seems to me that such use of the mark by Macy was sufficient to prevent the subsequent acquisition by Eclipse of exclusive ownership therein; and that Eclipse is therefore not entitled to registration, notwithstanding the fact that it was the first to affix the mark to its goods.

He then cited and relied upon the decision of the Court of Customs and Patent Appeals in the case of *The Coshocton Glove Co.* v. *Buckeye Glove Co.*, 24 C. C. P. A. 1338, 90 F. (2d) 660 [27 T.-M. Rep. 449].[12]

[12] R. H. Macy & Co., Inc. v. Eclipse Knitting Mills, Inc., Eclipse Knitting Mills, Inc. v. R. H. Macy & Co., Inc., Inter. No. 3022 and Opp'n Nos. 17,634 and 17,703, 163 M. D. 435, February 2, 1940.